Cumberland County Commissioners'
Finance Meeting

Minutes

Wednesday, October 7, 2020 - 1:30 PM
Commissioners Hearing Room / Zoom
Courthouse, Carlisle PA

Present: Commissioners Gary Eichelberger, Jean Foschi and Vincent DiFilippo; Stacy M. Snyder, Acting Chief Clerk; Dana Best, Tammy Bender, Finance; Kelly Neiderer, Treasurer.

Staff Present - via Zoom: Mark Adams, IMTO; Bob Shively, Public Safety; Ron Snow, Keri Finkenbinder, Brandon Yeager, Kristen Bushman, Finance.

Public Present: Mr. Anthony Foschi

Call to Order: Commissioner Eichelberger called the Finance meeting to order.

Approval of Minutes: Commissioner Foschi made a motion to approve the Minutes of September 23, 2020. Commissioner DiFilippo seconded the motion and the motion carried.

Discussion and Approval of a Letter of Support for South Middleton Township, Re: CFA Multimodal Transportation Grant Funding for Boiling Springs Pedestrian Safety Improvements Project – Phase II
The Board of Commissioners reviewed the letter of support and has no issues with it. Commissioner DiFilippo made a motion to approve the letter of support for South Middleton Township, Re: CFA Multimodal Transportation Grant Funding for Boiling Springs Pedestrian Safety Improvements Project – Phase II. Commissioner Foschi seconded the motion and the motion carried.

Topic of Discussion: **Financial Analysis Committee Presentation** – Finance Office – (see attached power point presentation)

Dana commended county departments and staff for adapting to the necessary operational changes due to COVID-19.

Dana and Tammy provided an overview of the current year status, year-end projections, and four year forecasting. They emphasized the fund balance, which is a combination of general fund unassigned fund balance plus the assigned fund balance for future budgetary requirements. They indicated major impacts to the budget are CNRC, 911Uniform Funding, and CARES Act funding.

Discussion ensued regarding the larger county projects: Lawson upgrade, election machines and other expenses related to election day, Farmland Preservation program, 911 expense increases due to the

funding formula changing, and the P25 radio project. Also discussed was the proportion of salary and benefits related to the budget.

Public Comment: Mr. Anthony Foschi questioned the county debt service based upon fixed and fluctuating rate. Dana best answered that our debts are all fixed rate.

The Financial Analysis Committee will return to future Finance meetings to provide budget updates to the Board of Commissioners prior to finalizing and approving the 2021 budget.

Other Business: None

Adjourn: There being no further business to come before the Board the meeting adjourned.

Respectfully Submitted,

Jennifer Crum,
Administrative Specialist

Commissioners:

Gary Eichelberger

Jean Foschi

Vincent T. DiFilippo

Acting Chief Clerk:

Stacy M. Snyder

Chief Financial Officer:

Dana L. Best

October 2020 Financial Analysis Committee Presentation

Financial Analysis Committee Presentation Overview

- County Highlights
- Current Year Status & Year End Projections
  - Based on 8/31/20
- 4 Year Forecasting
- Data is presented from the focal point of the General Fund
- Fund balance in the presentation is general fund unassigned fund balance plus the assigned future budgetary requirement.

County Highlights

- No County real estate millage increase in 2015 thru 2021
- Public Safety is in the planning process for the P25 radio project. P25 is the national standard for interoperable digital two-way radio communications.
- Public Safety's new CAD system.
- Election Equipment
- Four bridges are currently in the construction phase (Kunkle, Orrs, Wolf, and Sample). In order to meet cash flow needs, the County is receiving a PIB loan to fund the construction of Sample Bridge.
- Opioid Crisis
- COVID-19 is impacting all of our operations.
  - Election, CNRC, Mental Health/Human Services
  - Supplies
  - Change in business processes
  - Long-term implications and watching indicators: assessment base, new court cases, interest rates, consumer price index
  - Continue to watch our operational costs and revenue impact
  - May materially impact projections
  - CARES Act

CARES Act (Fund 165)

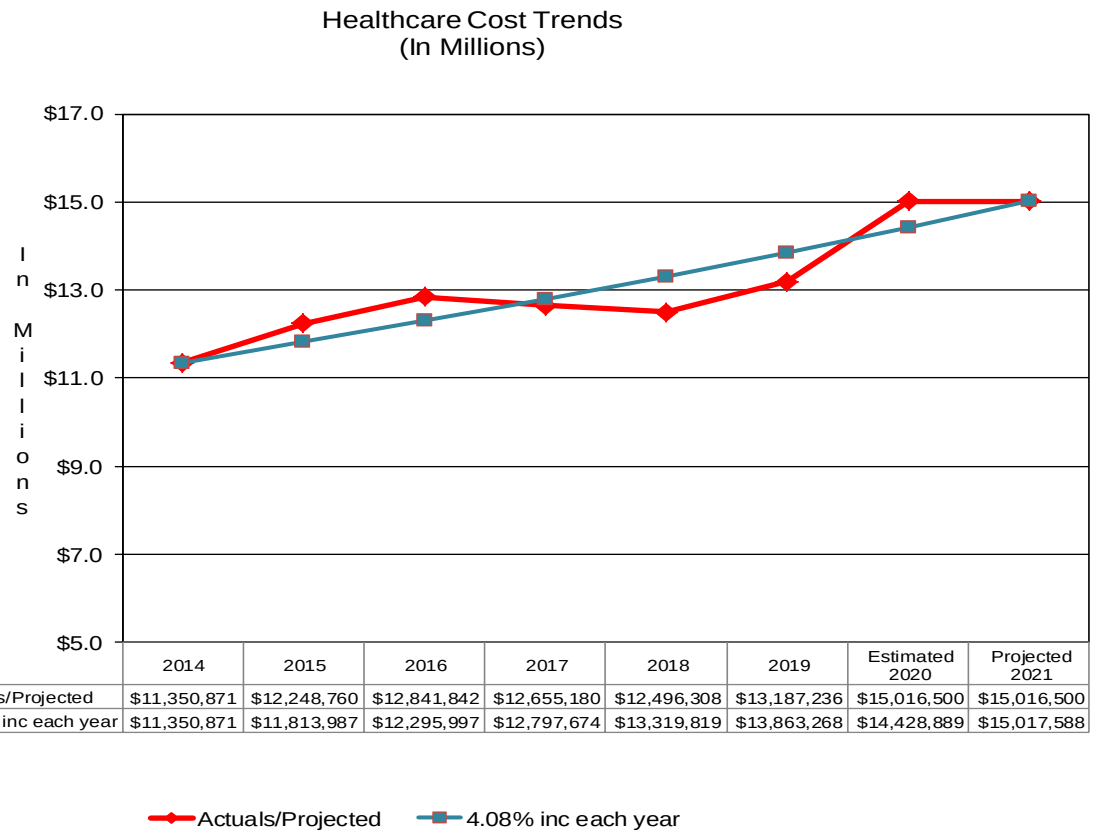
- Currently, we have received $22.9 million in CARES Act funding
- Current CARES Act Allocation:
  - Business $13,015,099
  - Non-Profit $2,980,392
  - Behavioral Health $91,408
  - County $5,578,100
  - Municipality $823,329
  - Tier 2 (small business and childcare) $418,227

CARES Act (Fund 165)

- County Departments
  - Created separate fund to manage the $22.9 million in CARES Act Funding
  - Only portion of CARES Act funding that will show in the General Fund is when we transfer funding in instead of charging expenses directly to the CARES Act fund (Personnel Expense)
  - A large portion of CARES Act funding is related to the General Fund Departments
    - Total $4,625,505
    - Contingency $1,411,869
    - Capital Improvements $576,628
    - Technology $994,781
    - COVID Supplies $1,642,227

County Highlights

- 2021 medical premium expense remained the same as 2020.

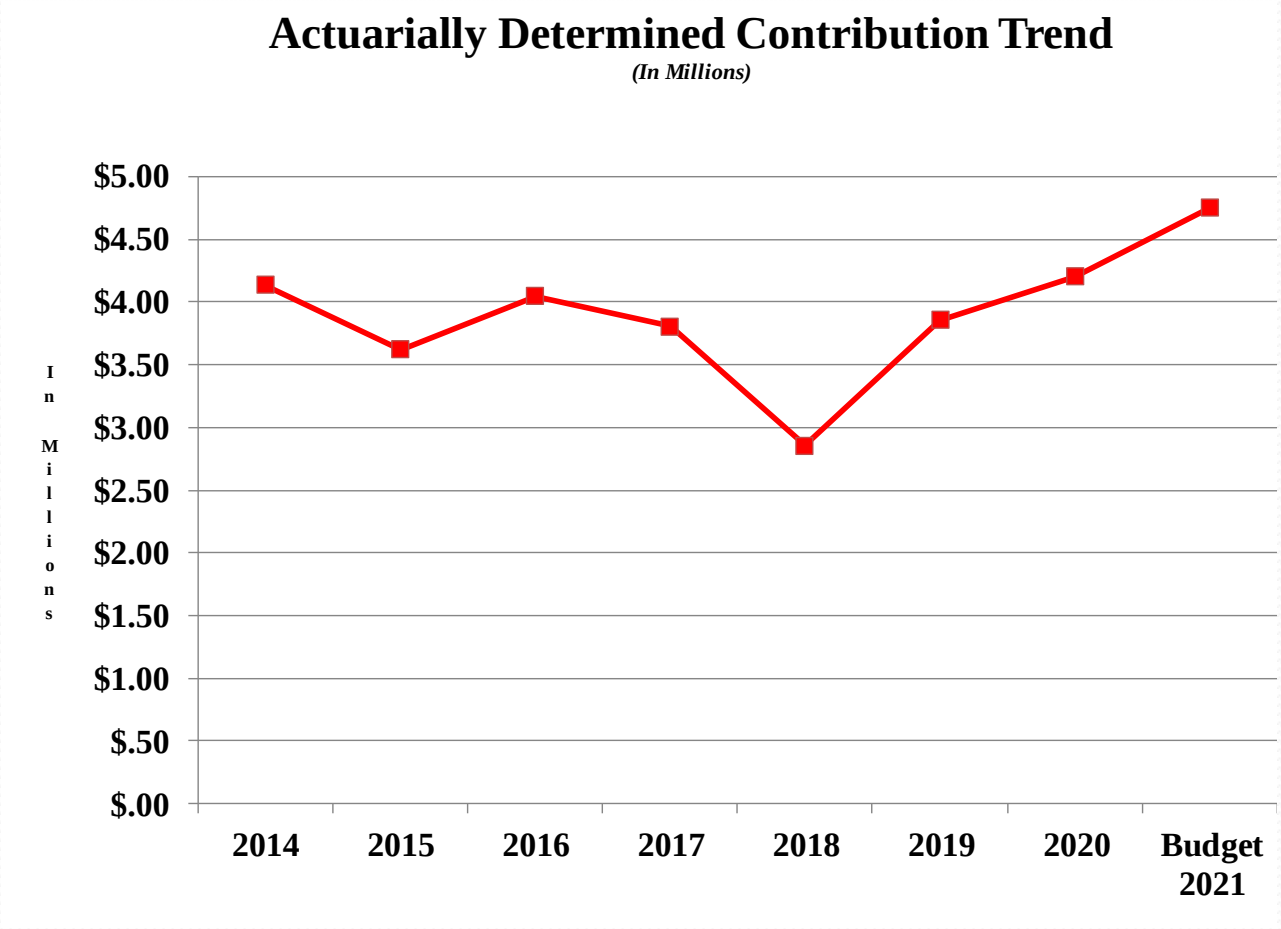


	2014	2015	2016	2017	2018	2019	Estimated 2020	Projected 2021
Actuals/Projected	$11,350,871	$12,248,760	$12,841,842	$12,655,180	$12,496,308	$13,187,236	$15,016,500	$15,016,500
4.08% inc each year	$11,350,871	$11,813,987	$12,295,997	$12,797,674	$13,319,819	$13,863,268	$14,428,889	$15,017,588

Between 2014 and 2021 the increase, if spread evenly over the 7 years, would be 4.08% per year increase.

County Highlights

- 2021 retirement ADC increased 13% or approximately $547,000 countywide



2020 General Fund Recap

2020 General Fund Status

	Projected 2020 (Apr 2020)	Projected 2020 (Aug 2020)	Favorable (Unfavorable)	Percentage Change
Real Estate Taxes	54,643,697	54,643,697	0	0.00%
All Other Revenue	30,848,920	31,244,673	395,753	1.28%
Total General Fund Revenue	**85,492,617**	**85,888,370**	**395,753**	**0.46%**
Total General Fund Expenses	**89,355,141**	**86,874,454**	**3,303,787**	**3.70%**
Salary	31,671,493	31,408,514	262,979	0.83%
Benefit	12,630,460	12,821,410	(190,950)	(1.51%)
Operating	25,111,516	24,325,095	786,421	3.13%
Subsidy	8,109,580	7,940,571	169,009	2.08%
Capital	7,892,532	6,439,304	1,453,228	18.41%
Transfers / Debt	3,290,681	3,290,681	0	0.00%
Additional Impacts				
Fund Balance Moved From Assigned		0	0	0.00%
Fund Balance Moved to Assigned	648,879	648,879	0	0.00%
		0	0	0.00%
Covid - 19 Salary Impact	523,100	0	523,100	100.00%
Covid - 19 Operating Impact	300,000	0	300,000	100.00%
Projected Unassigned Fund Balance	30,177,968	33,877,508	3,699,540	12.26%

2020 General Fund Status

Comparison of current projections with the May 2020 presentation.

Revenues – Overall increasing $395,763 – 0.46%

- All Other Revenue increasing $395,753 or 1.28%
  - Transfer from Nursing increased $443,000
  - Prison Transportation (offsetting expense) decreasing $110,000

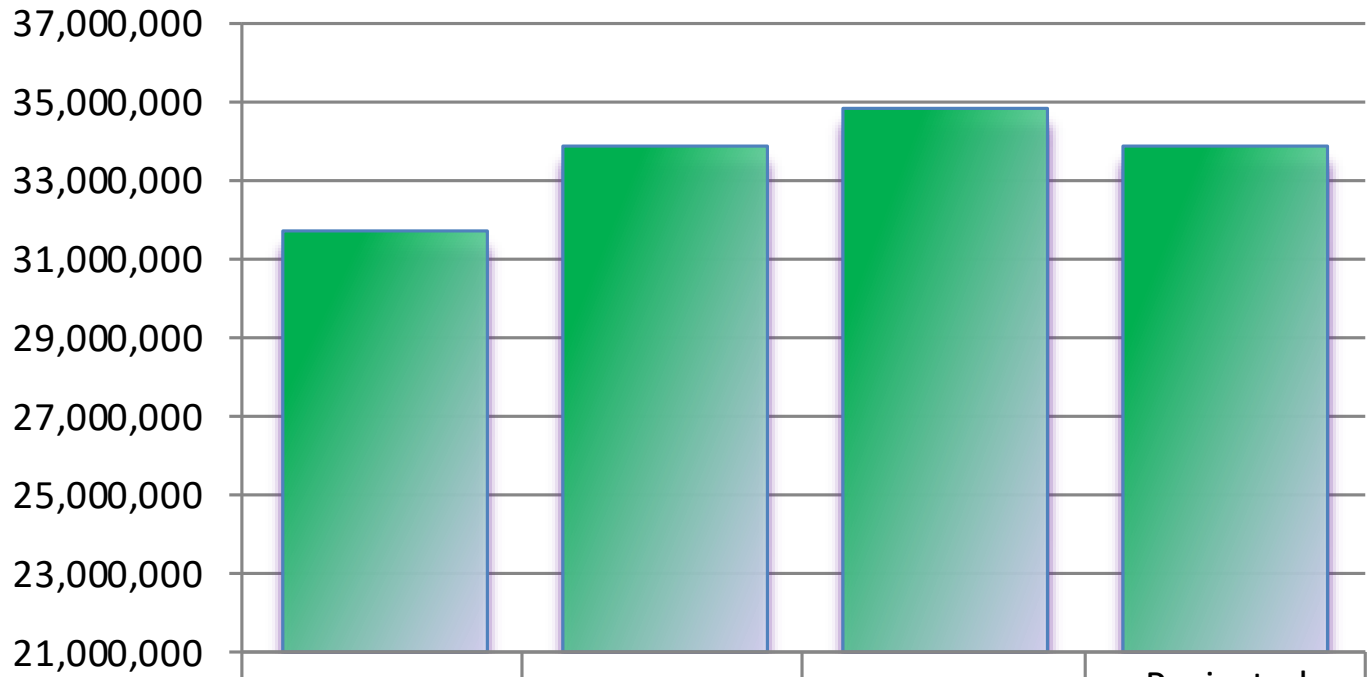
2020 General Fund Status

Comparison of current projections with the May 2020 presentation.

Expenses – Overall decreasing $3,303,787 – 3.70%

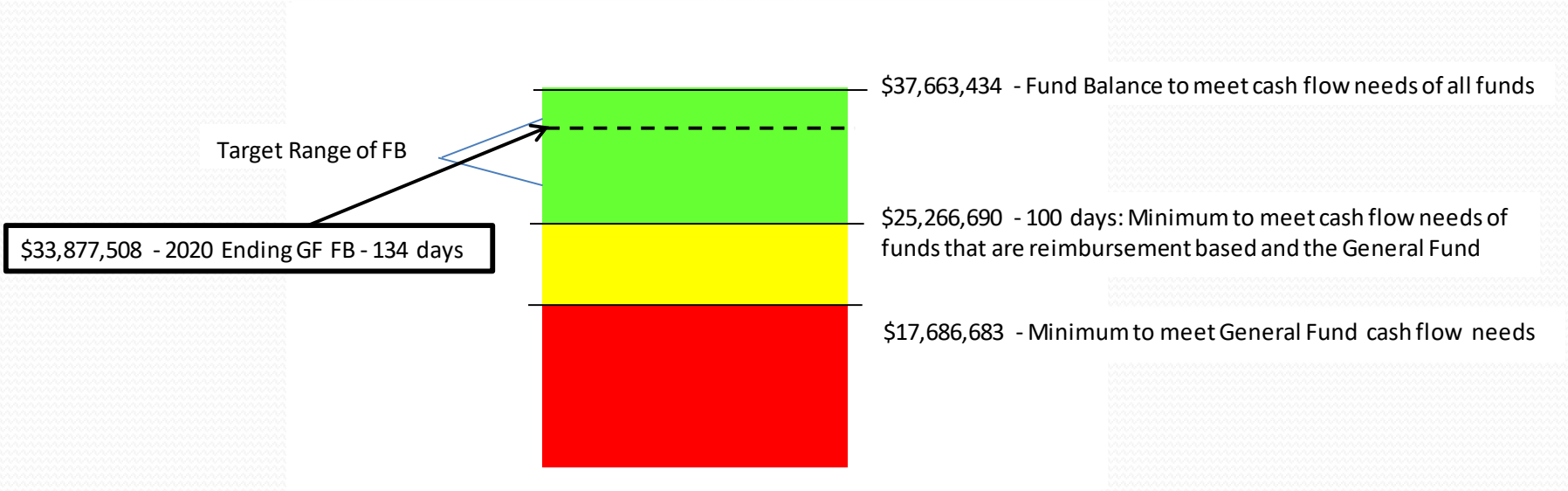
- Operating decreasing $786,421 – 3.13%
  - Prison–Transportation (offsetting revenue) decreasing $110,000
  - Court Legal Conflict Counsel decreasing $175,000
  - Prison Dietary decreasing $75,000
  - Conferences / Seminars decreasing $100,000
  - Staff Travel Mileage decreasing $25,000
  - Computer Equipment decreasing $100,000 (CARES Act funding)
  - Consumable Supplies decreasing $13,000 (CARES Act funding)
  - Elections Postage / Printing increasing $200,000
- Capital decreasing $1,453,228 – 18.41%
  - Microsoft Office 365 (CARES Act Funding) $445,000
  - Lab move to Ritner Building extended to 2021 $270,000
  - Prison Elevator Replacement delayed to 2021 $100,000

2020 General Fund Recap



	2017	2018	2019	Projected 2020
Unassigned Fund Balance	31,738,041	33,864,762	34,863,592	33,877,508
Number of Days	146	147	145	134

2020 Fund Balance Thermometer



2020 General Fund Status

	Actuals 2019	Projected 2020	Favorable (Unfavorable)	Percentage Change
Real Estate Taxes	53,802,121	54,643,697	841,576	1.56%
All Other Revenue	29,056,627	31,244,673	2,188,046	7.53%
Total General Fund Revenue	**82,858,748**	**85,888,370**	**3,029,622**	**3.66%**
Total General Fund Expenses	**78,670,022**	**86,874,454**	**(8,204,432)**	**(10.43%)**
Salary	30,392,900	31,408,514	(1,015,614)	(3.34%)
Benefit	11,186,617	12,821,410	(1,634,793)	(14.61%)
Operating	24,579,642	24,325,095	254,547	1.04%
Subsidy	6,307,902	7,940,571	(1,632,669)	(25.88%)
Capital	2,505,566	6,439,304	(3,933,738)	(157.00%)
Transfers / Debt	3,697,395	3,290,681	406,714	11.00%
Additional Impacts		648,879	(648,879)	0.00%
Unassigned Fund Balance	34,863,592	33,877,508	(986,084)	(2.83%)

2020 General Fund Recap

2020 year end fund balance is projected $33,877,508 which is 134 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days)

Revenue – Overall increasing $3,029,622 – 3.66%

- Real Estate Tax Revenue increasing $841,576 – 1.56%
- Other Revenue increasing $2,188,046 – 7.53%
  - Election Machine Capital Grant funding – one time increase $2,379,367

*Comparison between 2019 actuals and 2020 projections

2020 General Fund Recap

2020 year end fund balance is projected at $33,877,508 which is 134 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days)

Expenses – Overall increasing $8,204,432 – 10.43%

- Salaries increasing $1,015,614 – 3.34%
- Benefits increasing $1,634,793 – 14.61%
  - 2020 Medical premium rates increasing $1,021,600
  - 2020 Retirement ADC increasing $183,300

*Comparison between 2019 actuals and 2020 projections

2020 General Fund Recap

Expenses – Overall increasing $8,204,432 – 10.43%

- Operating decreasing $254,547 – 1.04%
- Subsidies increasing $1,632,669 – 25.88%
  - Children & Youth increasing $1,356,800 due to receiving overmatch in 2019
  - Criminal Justice Services Programs increasing $138,600
- Capital increasing $3,933,738 - 157.00%
  - Election Machines increasing $4,288,000
  - 7th Courtroom in 2019
- Transfers / Debt decreasing $406,714 - 11.00%

*Comparison between 2019 actuals and 2020 projections

2021 General Fund Budget

2021 General Fund Status

	Preliminary Budget 2021	Projected 2021	Favorable (Unfavorable)	Percentage Change
Real Estate Taxes	55,448,907	55,448,907	0	0.00%
All Other Revenue	29,178,267	28,767,240	(411,027)	(1.41%)
Total General Fund Revenue	**84,627,174**	**84,216,147**	**(411,027)**	**(0.49%)**
Total General Fund Expenses	**96,377,915**	**88,723,470**	**7,654,445**	**7.94%**
Salary	32,801,604	32,422,269	379,335	1.16%
Benefit	13,616,601	12,842,447	774,154	5.69%
Operating	30,316,515	26,541,921	3,774,594	12.45%
Subsidy	12,720,250	10,241,966	2,478,284	19.48%
Capital	3,574,509	3,219,652	354,857	9.93%
Transfers / Debt	3,348,436	3,455,215	(106,779)	(3.19%)
Additional Impacts		0	0	0.00%
2020 Unassigned Fund Balance	22,126,767	29,370,185		
Break-even Percentage	21.20%	8.10%		

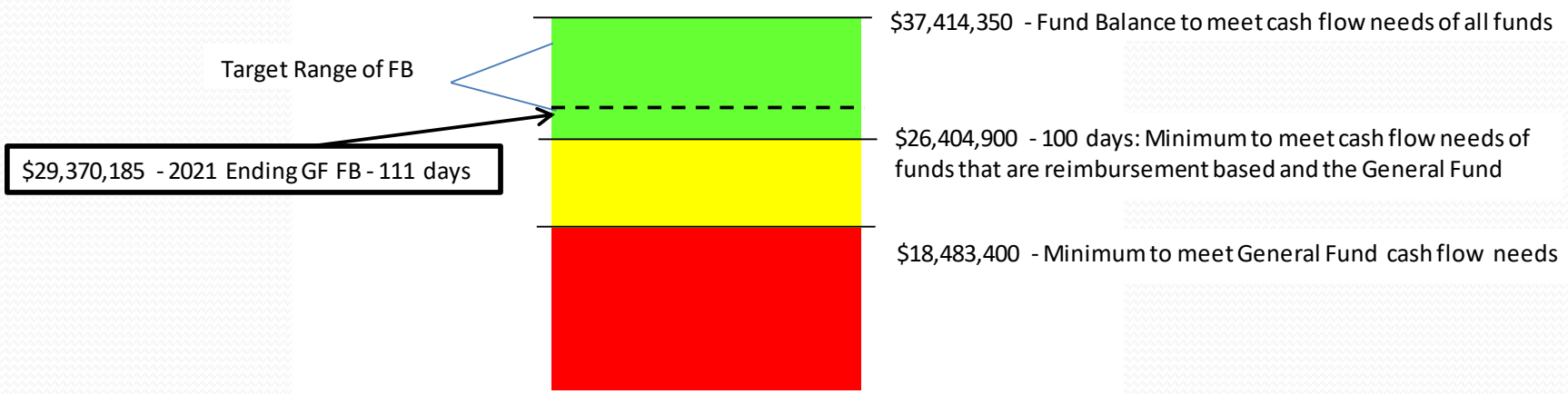
2021 General Fund Status

2021 Budget versus 2021 Projections

- Revenue decreasing $411,027 – 0.49%
  - All Other Revenue decreasing $411,027 – 1.41%
    - State Pass-Through Grants decreasing $475,057

- Expenses decreasing $7,654,445 – 7.94%
  - Operating Expense decreasing of $3,774,594 – 12.45%
    - Contingency $1,200,000
  - Subsidies decreasing $2,478,284 – 19.48%
    - CNRC budgeted subsidy of $2 million removed
  - Capital decreasing $354,857 – 9.93%
    - Estimated $422,000 for projects using restricted funds

2021 Fund Balance Thermometer



2021 General Fund Status

	Projected 2020	Projected 2021	Favorable (Unfavorable)	Percentage Change
Real Estate Taxes	54,643,697	55,448,907	805,210	1.47%
All Other Revenue	31,244,673	28,767,240	(2,477,433)	(7.93%)
Total General Fund Revenue	**85,888,370**	**84,216,147**	**(1,672,223)**	**(1.95%)**
Total General Fund Expenses	**86,874,454**	**88,723,470**	**(1,849,016)**	**(2.13%)**
Salary	31,408,514	32,422,269	(1,013,755)	(3.23%)
Benefit	12,821,410	12,842,447	(21,037)	(0.16%)
Operating	24,325,095	26,541,921	(2,216,826)	(9.11%)
Subsidy	7,940,571	10,241,966	(2,301,395)	(28.98%)
Capital	6,439,304	3,219,652	3,219,652	50.00%
Transfers / Debt	3,290,681	3,455,215	(164,534)	(5.00%)
Additional Impacts	648,879	0	648,879	100.00%
Unassigned Fund Balance	33,877,508	29,370,185	(4,507,323)	(13.30%)

2021 General Fund Status

2021 year end fund balance is projected at $29,370,185 which is 111 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days which equates to $26,404,900).

Projected Revenue – Overall decreasing $1,672,223 – 1.95%

- Real Estate Taxes increasing $805,210 - 1.47%
- Other Revenue decreasing $2,477,433 - 7.93%
  - Election Machine Capital Grant funding – one time increase $2,379,367

*Comparison between 2020 projections and 2021 projections

2021 General Fund Status

2021 year end fund balance is projected at $29,370,185 which is 111 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days which equates to $26,404,900).

Projected Expenses – Overall increasing $1,849,016 – 2.13%

- Salaries increasing $1,013,755 – 3.23%
  - Salary Adjustments, Union Contracts, New Positions
- Benefits increasing $21,037 – 0.16%
  - Unemployment Compensation and Workers Comp decreasing $270,000
  - Retirement increasing $211,000
  - Medical no change

*Comparison between 2020 projections and 2021 projections

2021 General Fund Status

2021 year end fund balance is projected at $29,370,185 which is 111 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days which equates to $26,404,900).

Projected Expenses – Overall increasing $1,849,016 – 2.13%

- Operating Expense increasing of $2,216,826 - 9.11%
  - Lawson server upgrade $500,000
  - Courts trial expenses increasing $325,000
- Subsidies increasing $2,301,395 – 28.98%
  - 9-1-1 increasing $1,681,544 due to projects and uniform funding is not covering all expenses
- Capital decreasing $3,219,652 – 50.00%
  - Election Machines decreasing $4,288,000
- Transfers / Debt increasing $164,534 - 5.00%

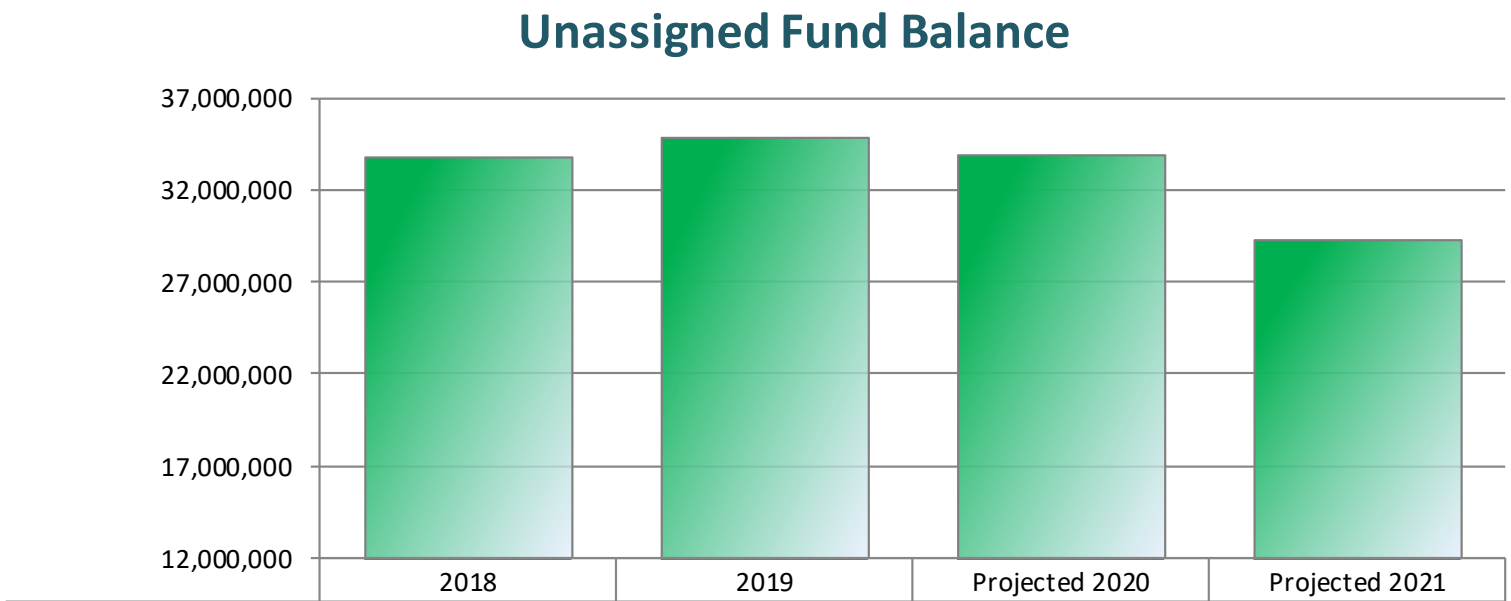
*Comparison between 2020 projections and 2021 projections

2021 General Fund Status

2021 year end fund balance is projected at $29,370,185 which is 111 days of budgeted General Fund operating expense. (Recommended fund balance of 100 days which equates to $26,404,900).

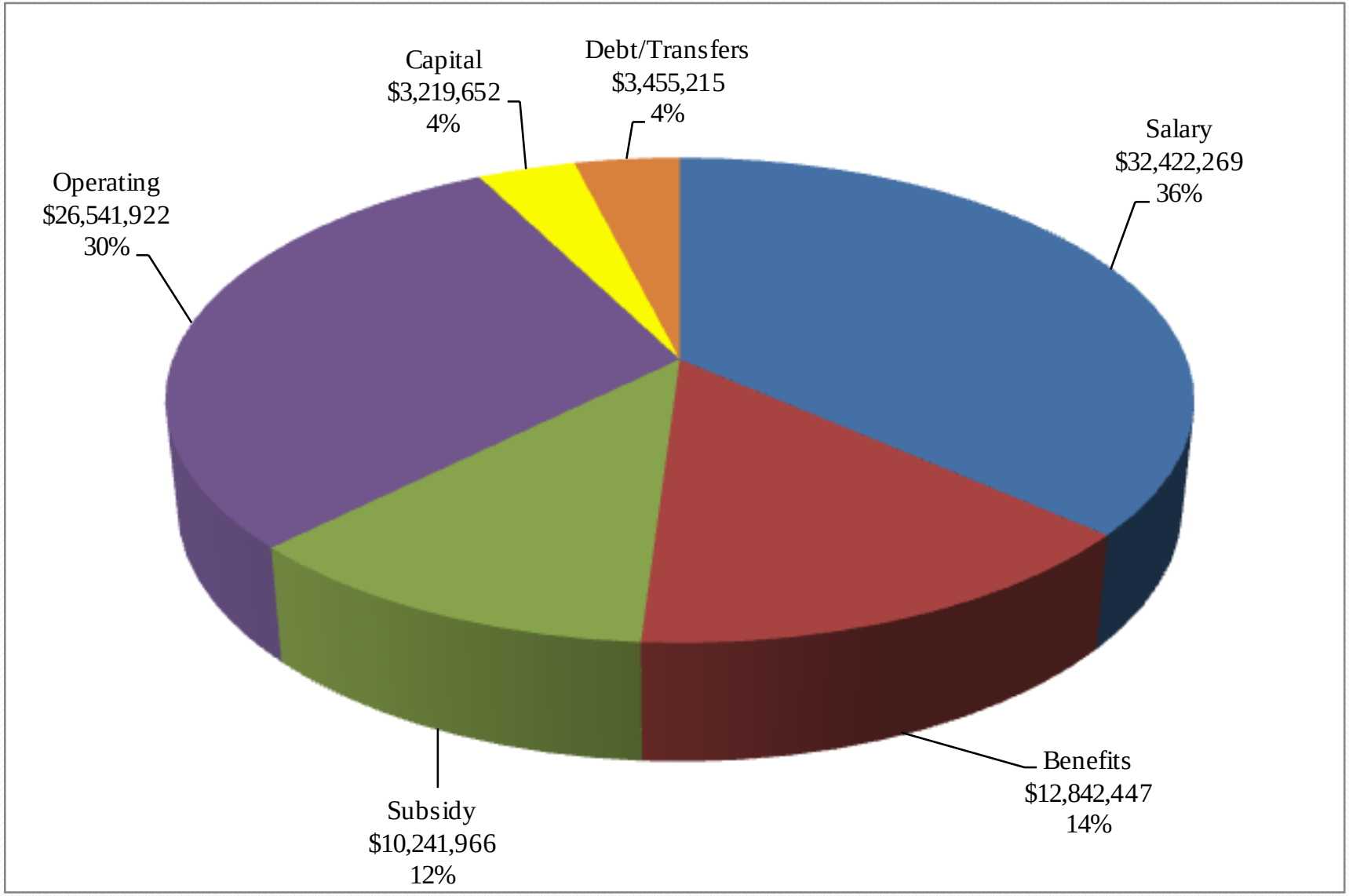
Fund Balance

- Decreasing $4,507,323 which is 23 days or 17.2% reduction in days



	2018	2019	Projected 2020	Projected 2021
Unassigned Fund Balance	33,864,762	34,863,592	33,877,508	29,370,185
Number of Days	147	145	134	111

2021 General Fund Expenses



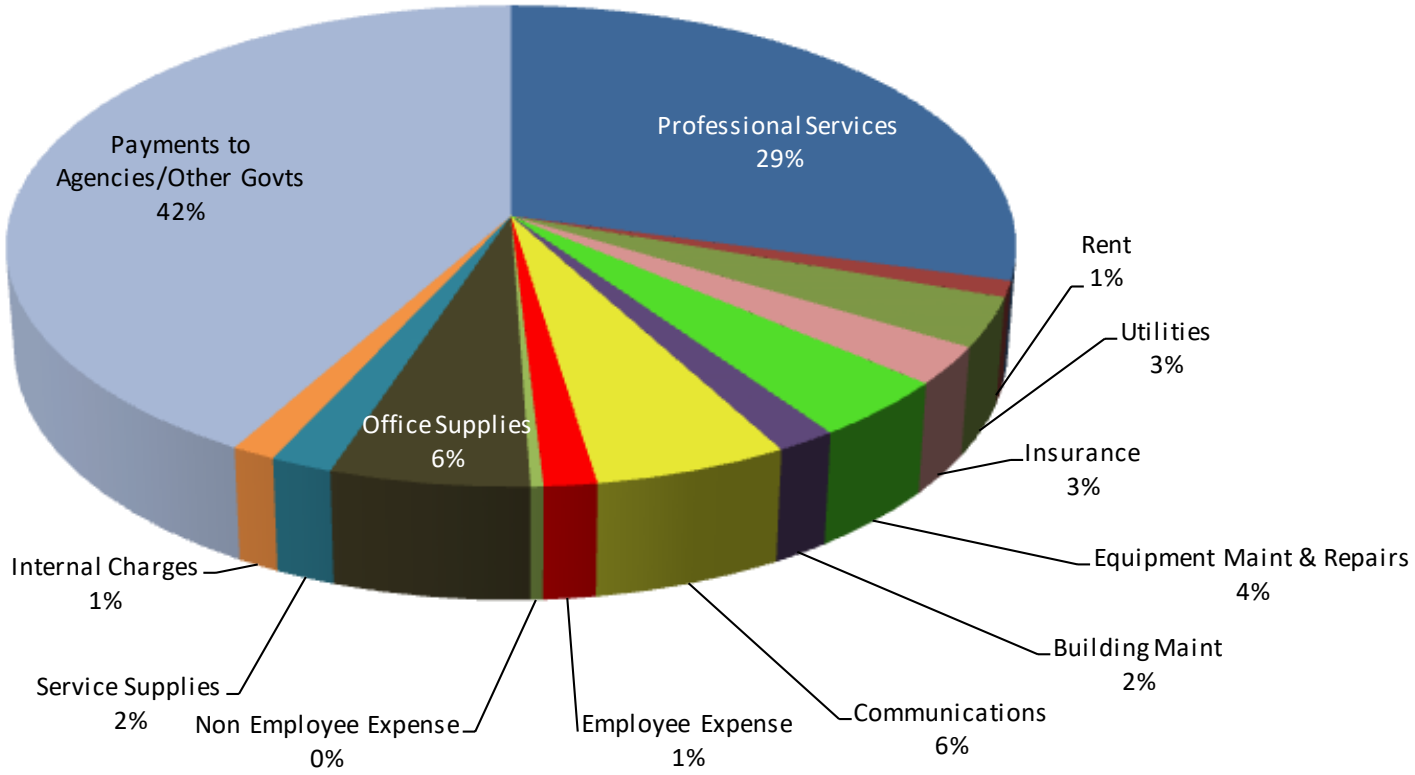
2021 General Fund Operating Expenses

Payments to Agencies / Other Govts - $11.1 million
CNRC IGT - $4.6 million
Library Taxes - $4.2 million
Redevelopment Authority Pass-Thru Grants - $1.7 million

Professional Services - $6.4 million
Prison Medical & Catastrophic - $1.8 million
Court Mandated Legal Services - $1.0 million
Prison Dietary Services - $520,000
Election Officers - $300,000

Office Supplies - $1.6 million
Computer Equipment / Software / Network Equipment - $550,000
Books & Periodicals - $190,000

Communications- $1.5 million
Telephone /Mobile - $500,000
Postage - $470,000



Revenue Drivers

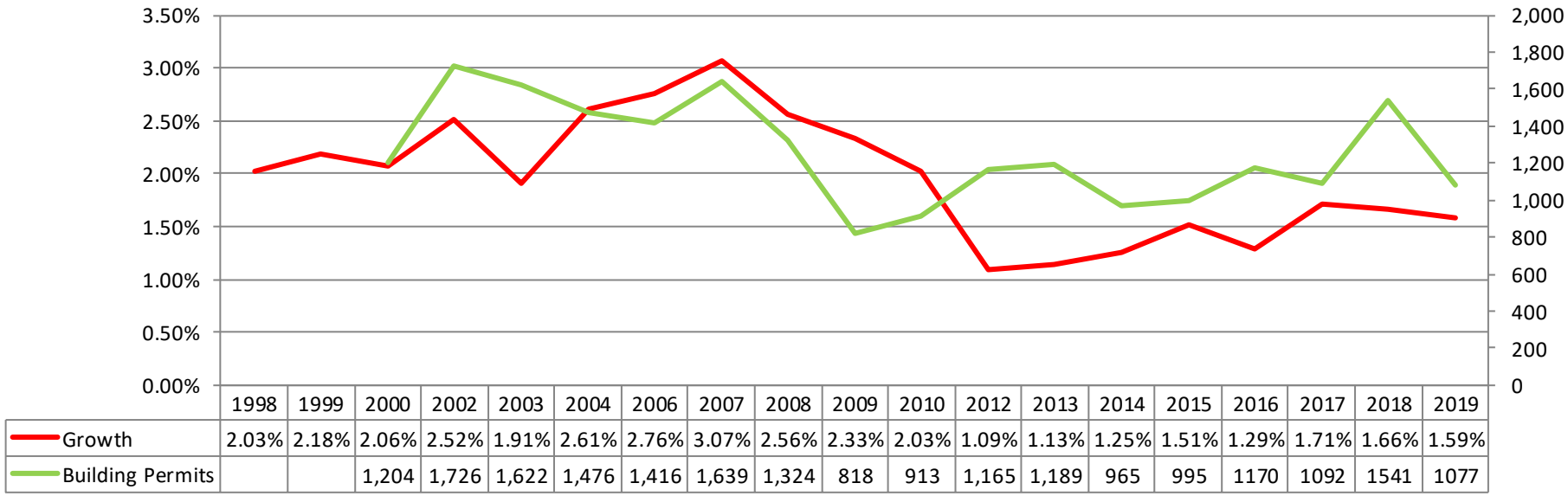
2021 General Fund Budget

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)
2021	**2.195 County millage (0% increase)**

* Reassessment Year

Revenue Drivers
Taxable Assessed Value



	1998	1999	2000	2002	2003	2004	2006	2007	2008	2009	2010	2012	2013	2014	2015	2016	2017	2018	2019
Growth	2.03%	2.18%	2.06%	2.52%	1.91%	2.61%	2.76%	3.07%	2.56%	2.33%	2.03%	1.09%	1.13%	1.25%	1.51%	1.29%	1.71%	1.66%	1.59%
Building Permits			1,204	1,726	1,622	1,476	1,416	1,639	1,324	818	913	1,165	1,189	965	995	1170	1092	1541	1077

Note: 2001, 2005 and 2011 were removed due to reassessment years

General Fund 2020 Thru 2024 Projections

Major Assumptions in the Projections

- 9-1-1 Uniform Funding is no longer covering all eligible expenses
- 9-1-1 will need subsidy for any capital projects not related to the radio project.
- Beginning in 2021 the radio project will be funded by bond proceeds.
- Farmland Preservation is projected at $850,000 per year.
- Capital has increased from the previous presentations based on updated five year plans.
- CNRC no subsidy
- Debt Service

Debt Service Changes	
2020	(620,389)
2021	158,875
2022	710,500
2023	(751,203)
2024	(4,500)

Final one-time Hornbaker payment in 2022 which increases 2022 and then decreases in 2023

- Current projections do not include estimates for timing and financing of all the projects on the next slide but they will have an impact on future projections.
- **This assumes aggressive management of cost drivers.**

Major Pressure Points

- COVID-19
- Election
- Farmland Preservation - $850,000
- Lawson Upgrade
- Radio Project Two Bonds
- 9-1-1 Uniform Funding
- Radio Infrastructure
- Growth of the County
- State Budget – only have a 5 month budget approved
- CNRC
- Capital Cases

In Projections
Not In Projections

2020 Thru 2024 General Fund Projections

	Projected 2020	0.0% Projected 2021	0.0% Projected 2022	0.0% Projected 2023	0.0% Projected 2024
Real Estate Taxes	*54,643,697*	*55,448,907*	*56,280,214*	*57,123,991*	*57,980,424*
All Other Revenue	*31,244,673*	*28,767,240*	*29,391,087*	*29,978,919*	*30,398,973*
Total General Fund Revenue	**85,888,370**	**84,216,147**	**85,671,301**	**87,102,910**	**88,379,398**
Total General Fund Expenses	**86,874,454**	**88,723,470**	**92,097,949**	**94,562,078**	**96,288,311**
Salary	**31,408,514**	**32,422,269**	**33,463,402**	**34,545,308**	**35,663,275**
Benefit	**12,821,410**	**12,842,447**	**13,405,704**	**13,752,326**	**14,294,535**
Operating	**24,325,095**	**26,541,921**	**26,282,596**	**26,686,474**	**27,005,092**
Subsidy	**7,940,571**	**10,241,966**	**11,311,769**	**11,146,023**	**11,725,029**
Capital	**6,439,304**	**3,219,652**	**3,799,189**	**4,635,011**	**3,290,858**
Transfers / Debt	**3,290,681**	**3,455,215**	**3,835,289**	**3,796,936**	**4,309,522**
Additional Impacts					
Fund Balance Moved From Assigned		**(408,000)**			
Fund Balance Moved to Assigned	**648,879**	**0**			
HazMat Vehicle		**408,000**			
Library		**???**	**???**	**???**	**???**
Children & Youth and CNRC		**???**	**???**	**???**	**???**
Unassigned Fund Balance	**33,877,508**	**29,370,185**	**22,943,537**	**15,484,369**	**7,575,455**
Days of Fund Balance	***134***	***111***	***87***	***59***	***29***

Assumptions in the Projections

Projections are based on current trends

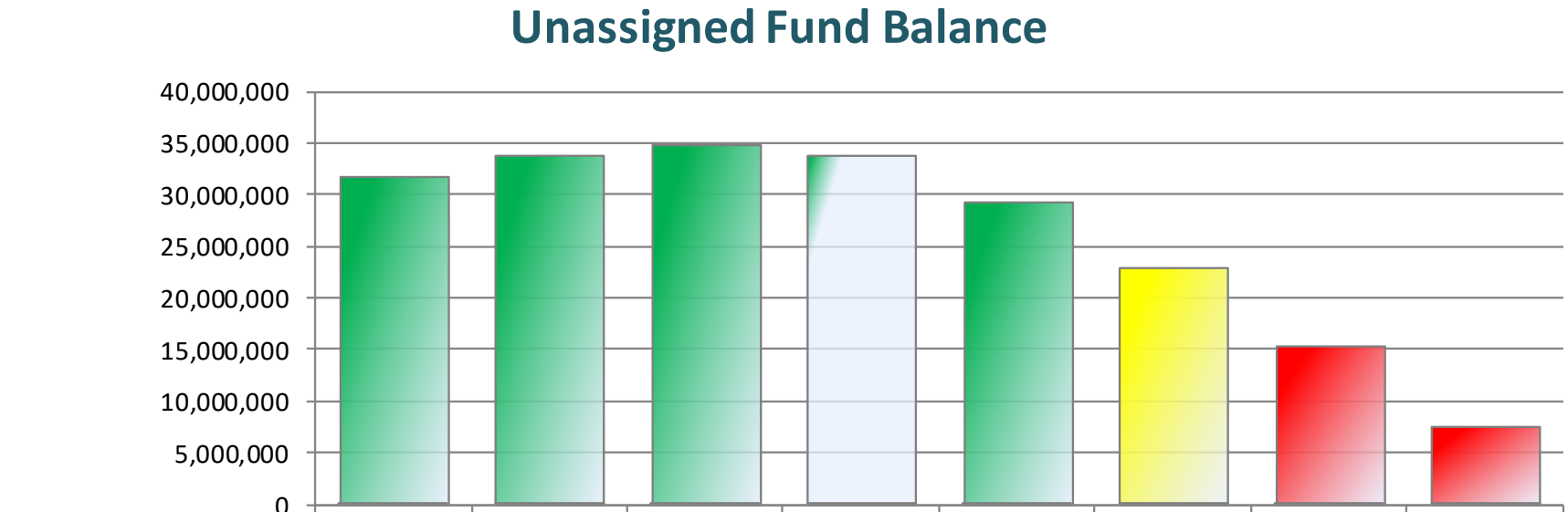
- Salaries – 3.2% increase for 2020-2024
  - Union contracts
  - Merit Based Compensation
  - Overtime
- Benefits - 22.9% increase for 2020, 0.16% increase for 2021, 3.6 % average yearly increase for 2022 - 2024
  - Medical Insurance is projected at 16% for 2020, 0% for 2021
  - Retirement is projected at 19.5% for 2020, 1.0% for 2021, average of 4.0% for 2022 - 2024
- Operating Expenses – (-1.0%) in 2020, 9.1% for 2021, 1.75% average yearly increase for 2022 - 2024
- Subsidy – 30.0% in 2020, 33.0% in 2021, (-4.0%) in 2022 and 7.5% in 2023-2024. No CNRC subsidy
- Capital is projected based on history and known capital projects

Assumptions in the Projections

9-1-1 Radio Project Assumptions – Pending BoC Approval

- $10 million bond in 2021 with first payment in 2022.
- $7 million bond in 2023 with first payment in 2024.
- As the project is developed, we will adjust the projections accordingly.
- We will offset project costs with assigned fund balance in the General Fund in addition to bond financing.
- P25 is in the development process and there is a high probability of change.
  - Project costs
  - Funding formula changes
  - Timing of projects
  - Material effect on the projections

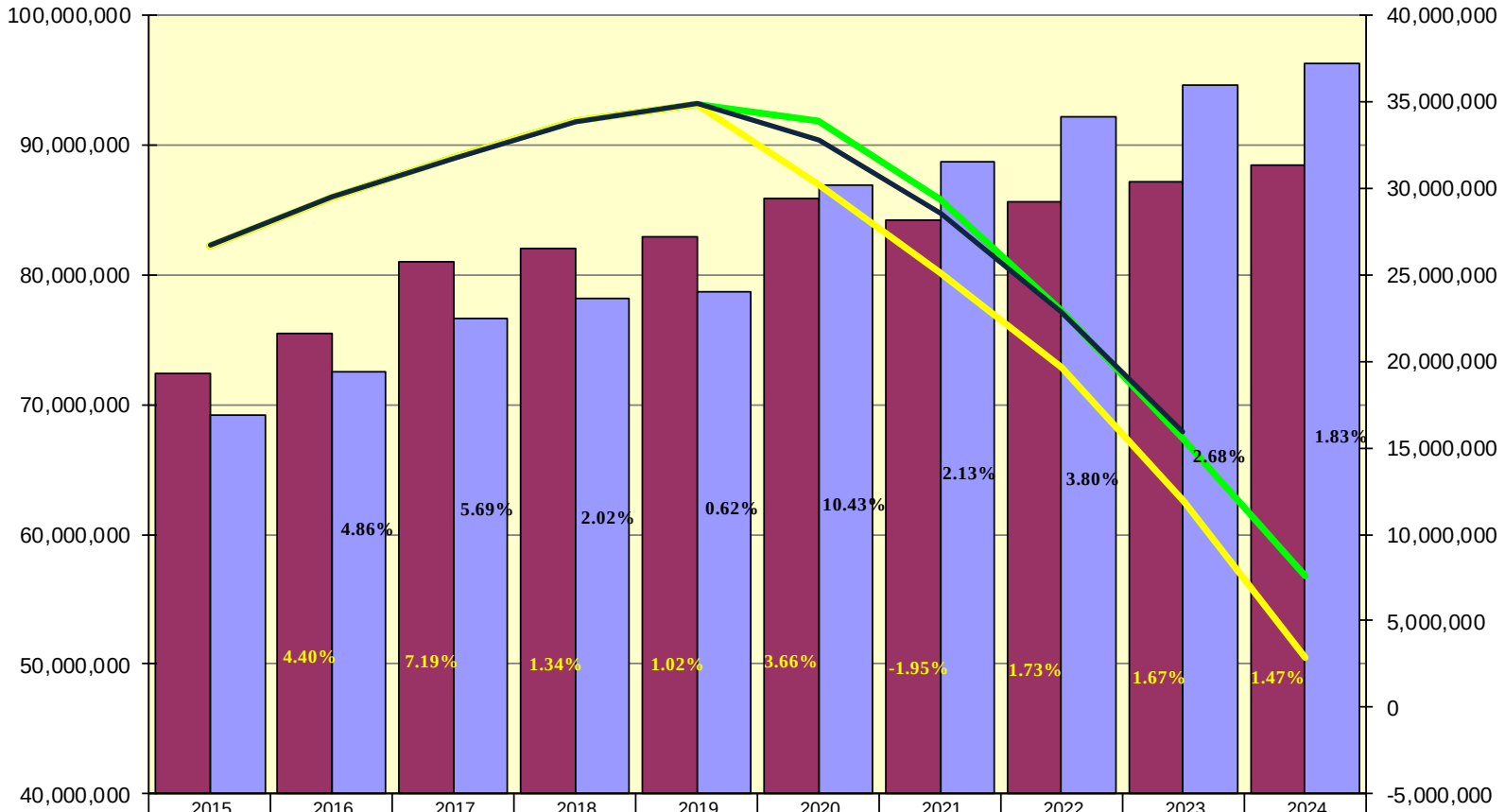
General Fund Projections



	2017	2018	2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Unassigned Fund Balance	31,738,041	33,864,762	34,863,592	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
Number of Days	146	147	145	134	111	87	59	29

2023 is 11 days below our minimum cash flow needs

2015 Thru 2024 General Fund Actuals and Projections



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	72,328,838	75,510,004	80,938,811	82,024,947	82,858,747	85,888,370	84,216,147	85,671,301	87,102,910	88,379,398
Expense	69,147,998	72,511,511	76,635,632	78,182,918	78,670,022	86,874,454	88,723,470	92,097,949	94,562,078	96,288,311
Revenue Change	0.00%	4.40%	7.19%	1.34%	1.02%	3.66%	-1.95%	1.73%	1.67%	1.47%
Expense Change	0.00%	4.86%	5.69%	2.02%	0.62%	10.43%	2.13%	3.80%	2.68%	1.83%
Fund Balance (Aug 2020 Projection)	26,672,683	29,468,205	31,738,041	33,864,762	34,863,592	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
Fund Balance (Apr 2020 Projection)	26,672,683	29,468,205	31,738,041	33,864,762	34,863,592	30,177,968	25,098,922	19,586,670	11,932,980	2,843,460
Fund Balance (Aug 2019 Projection)	26,672,683	29,468,205	31,738,041	33,864,762	34,863,592	32,758,922	28,579,691	22,812,824	15,960,311	

2020 – 2024 Fund Balance Projections

	2020		2021		2022		2023		2024
No Change									
	33,877,508	0%	29,370,185	0%	22,943,537	0%	15,484,369	0%	7,575,455
			(4,507,323)		(6,426,648)		(7,459,168)		(7,908,914)
Break - Even									
	33,877,508	8.1%	33,859,244	2%	33,205,155	3%	33,493,775	0%	33,448,866

Black - Fund Balance

1% change = 555,000

Blue - Difference between revenue and expense

3% change = 1,664,000

5% change = 2,773,000

Change can be on-going change in expenses or revenues

2020 – 2024 Fund Balance Projections

2020	2021	2022	2023	2024
Current Assumptions				
33,877,508	0% 29,370,185	0% 22,943,537	0% 15,484,369	0% 7,575,455
Changes				
33,877,508	2% 30,478,595	2% 26,324,519	2% 22,360,056	2% 19,228,251
		4% 27,472,050	4% 25,906,977	4% 26,537,944
33,877,508	0% 29,370,185	5% 25,756,127	3% 22,950,247	3% 21,644,674
		14% 30,818,787	0% 31,352,998	0% 31,557,364
		0% 22,943,537	20% 26,903,482	0% 30,584,968
33,877,508	5% 32,141,209	3% 30,299,082	3% 29,345,668	3% 29,976,755

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000 3% change = 1,664,000 5% change = 2,773,000

2020 – 2024 Fund Balance Projections

2020	2021	2022	2023	2024
Current Assumptions				
33,877,508	0% 29,370,185	0% 22,943,537	0% 15,484,369	0% 7,575,455
Changes				
33,877,508	1% 29,924,390	0% 24,060,260	0% 17,172,048	0% 9,842,654
33,877,508	-1% 28,815,980	0% 21,826,814	0% 13,796,690	0% 5,308,256
33,877,508	2% 30,478,595	0% 25,176,983	0% 18,859,726	0% 12,109,852
33,877,508	-2% 28,261,775	0% 20,710,091	0% 12,109,012	0% 3,041,058

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000 3% change = 1,664,000 5% change = 2,773,000

Additional Scenarios

CNRC Impacts to the General Fund

Scenarios for Projections

1. Current 2020 projections use current fund balance and requires no subsidy.
   - COVID-19 impacts
     - Census estimated average 238 (budgeted 267)
     - Medicare estimate average 5 (budgeted 16)
     - Unable to take admissions
     - Shut down services and visitation
     - Staffing – Overtime and Agency have increased
     - Additional stimulus funding received of $2,696,369 is currently offsetting implications of COVID-19

CNRC Impacts to the General Fund

2. Current 2021 budget requires a $2 million subsidy.
   - Assumption is it will take more than one year to fully rebuild the census.
     - Census budgeted 250
     - Medicare budgeted 10 or 4% of census
     - Medicaid flat funded (next increase expected 2024)
     - No stimulus funds budgeted
3. Current 2022 thru 2024 projections increases the $2 million subsidy by 20% each year.

CNRC Impact to the General Fund

	2020	2021	2022	2023	2024
Current Projections No CNRC Subsidy					
1.	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
CNRC - $2 Million Subsidy Impact					
2.	33,877,508	27,370,185	18,943,537	9,484,369	-424,545
CNRC - $2 Million with 20% inc each year Subsidy Impact					
3.	33,877,508	27,370,185	18,543,537	8,204,369	-3,160,545

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000 3% change = 1,664,000 5% change = 2,773,000

9-1-1 Impacts to the General Fund

Starting in 2023 the projections have a $600,000 decrease each year in the 9-1-1 Uniform Funding.

- The new funding formula has not been approved yet.
- All capital projects during the projection period are part of the P25 radio project.

9-1-1 Uniform Funding Impact to the General Fund

	2020	2021	2022	2023	2024
Current Projections	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
9-1-1 Projects and Uniform Funding starting in 2023 at $600,000	33,877,508	29,370,185	22,943,537	14,884,369	6,375,455

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000

3% change = 1,664,000

5% change = 2,773,000

CARES Act Impacts to the General Fund

- The current County Relief Block Grant may provide additional funding beyond our current projections.
- The scenarios include a range of $688,000 to $2.1 million in additional funding to cover eligible expenses incurred.
- There is potential for additional funding to become available beyond the $2.1 million.

CARES Act Funding Impact to the General Fund

	2020	2021	2022	2023	2024
Current Projections	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
CARES Act Impact of $688,000 positive	34,565,508	30,058,185	23,631,537	16,172,369	8,263,455
CARES Act Impact of $2,100,000 positive	35,977,508	31,470,185	25,043,537	17,584,369	9,675,455

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000

3% change = 1,664,000

5% change = 2,773,000

Combined Impacts to the General Fund

The projections include the combined impacts of the CNRC, 9-1-1, and CARES Act slide.

Scenarios

1. Current Projections
2. CARES Act with $2.1 million to cover expenses incurred
3. CARES Act with $1.4 million to cover expense incurred. CNRC $2 million on-going subsidy beginning in 2021. 9-1-1 Uniform Funding decrease beginning in 2023 of $600,000
4. CARES Act with $688,000 to cover expense incurred. CNRC $2 million beginning in 2021 with a 20% increase each year. 9-1-1 Uniform Funding decrease beginning in 2023 of $600,000

The BE% is the breakeven percentage to maintain approximately a $33.8 million fund balance thru 2024

Combined Impacts to the General Fund

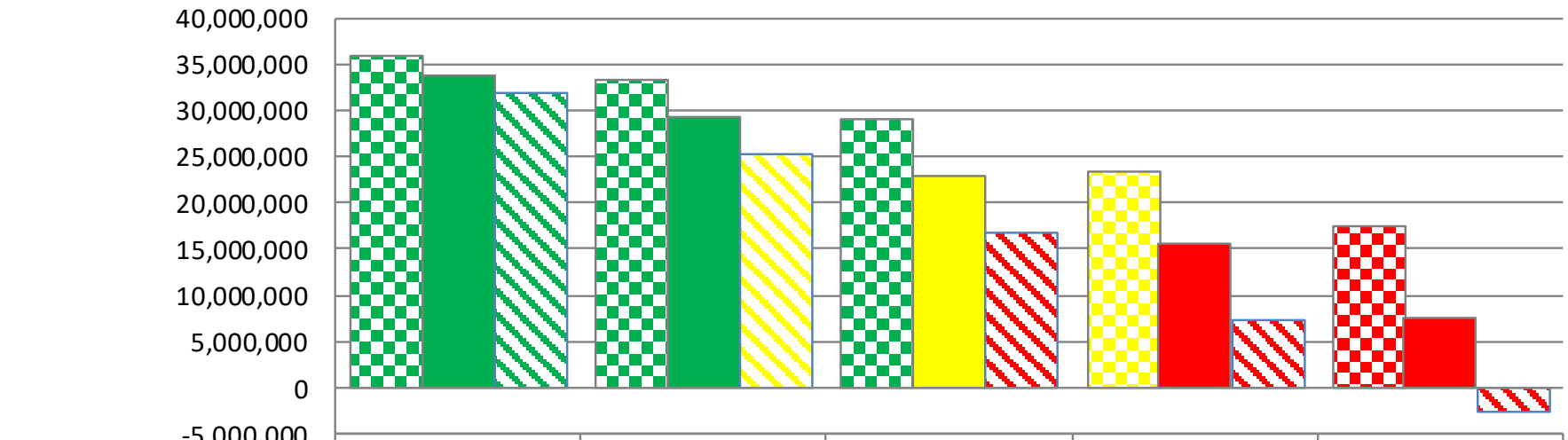
	2020		2021		2022		2023		2024
	Current Projections								
1.	33,877,508		29,370,185		22,943,537		15,484,369		7,575,455
BE %		8.1%		2%		3%		0%	
	CARES Act $2.1 million								
2.	35,977,508		31,470,185		25,043,537		17,584,369		9,675,455
BE %		4%		7%		1%		2%	
	CARES Act $1.4 million, CNRC $2 million subsidy starting in 2021, 9-1-1 $600,000 starting in 2023								
3.	35,277,508		28,770,185		20,343,537		10,284,369		-224,545
BE %		8%		7%		1%		2%	
	CARES Act $688,000, CNRC $2 million 20% increasing subsidy starting in 2021, 9-1-1 $600,000 starting in 2023								
4.	34,565,508		28,058,185		19,231,537		8,292,369		-3,672,545
BE %		10%		5%		3%		2%	

Red Zone under 18,483,400
Yellow Zone between 18,483,400 and 26,404,900
Green Zone over 26,404,900 to 37,414,350

1% change = 555,000 3% change = 1,664,000 5% change = 2,773,000

Impact of On-Going Changes

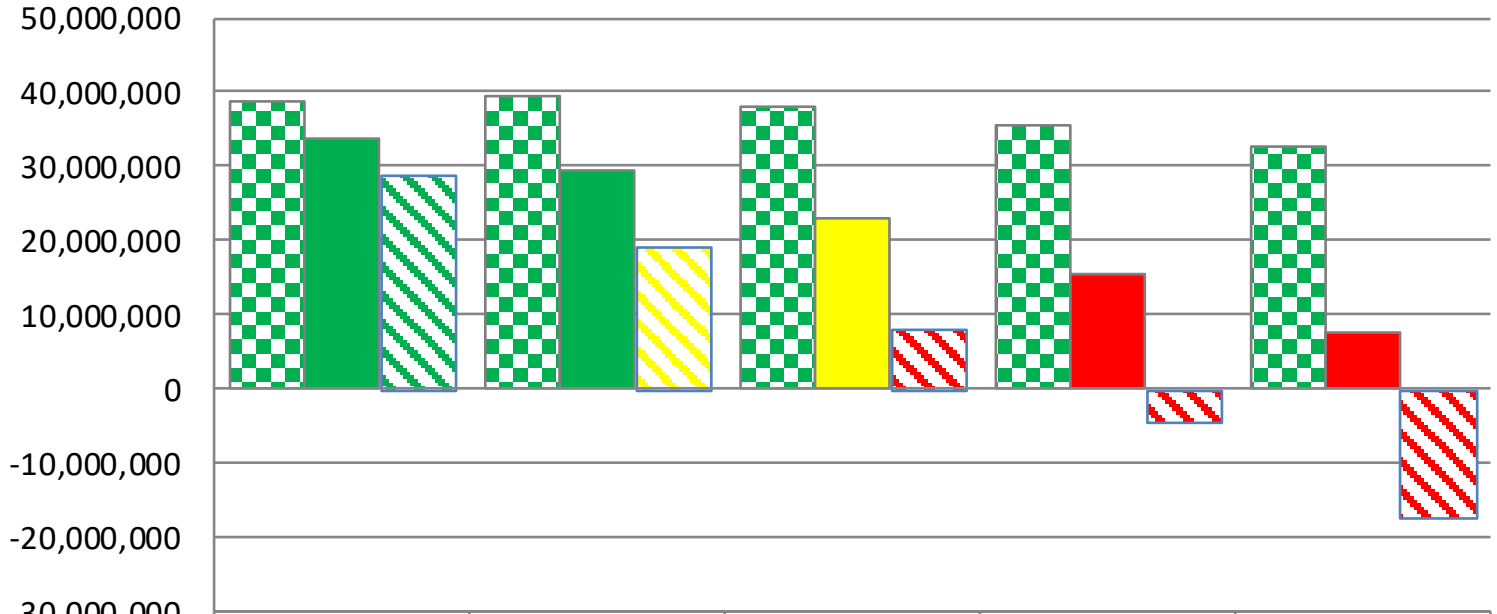
Impact of On-Going Changes



	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
2 Million Dollar Change	35,877,508	33,370,185	28,943,537	23,484,369	17,575,455
Current Projections	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
-2 Million Dollar Change	31,877,508	25,370,185	16,943,537	7,484,369	-2,424,545

Impact of On-Going Changes

Unassigned Fund Balance +/- $ 5 Million Change



	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
5 Million Dollar Change	38,877,508	39,370,185	37,943,537	35,484,369	32,575,455
Current Projections	33,877,508	29,370,185	22,943,537	15,484,369	7,575,455
-5 Million Dollar Change	28,877,508	19,370,185	7,943,537	-4,515,631	-17,424,545

Comparative Tax Rate

Benchmark Counties	Class	2019 Population	2019 Real Estate Tax	Average Tax per Household	Median Household Income	2019 Average Tax per Household per Median Household Income	2019 Property Tax per Capita
Dauphin	3	278,299	$ 105,926,477	$586	$58,916	**0.99%**	**$381**
Luzerne	3	317,417	$ 120,506,548	$565	$51,646	**1.09%**	**$380**
Lackawanna	3	209,674	$ 79,153,746	$607	$50,875	**1.19%**	**$378**
York	3	449,058	$ 162,929,137	$661	$63,902	**1.03%**	**$363**
Berks	3	421,164	$ 145,321,065	$623	$61,522	**1.01%**	**$345**
Northampton	3	305,285	$ 99,769,639	$580	$67,565	**0.86%**	**$327**
Chester	3	524,989	$ 167,468,897	$643	$96,726	**0.66%**	**$319**
Erie	3	269,728	$ 81,960,521	$459	$49,716	**0.92%**	**$304**
Lehigh	3	369,318	$ 108,673,445	$537	$62,178	**0.86%**	**$294**
Westmoreland	3	348,899	$ 83,353,745	$367	$58,866	**0.62%**	**$239**
Lancaster	3	545,724	$ 122,914,746	$412	$63,823	**0.65%**	**$225**
Cumberland	**3**	**253,370**	**$ 53,750,856**	**$370**	**$68,895**	**0.54%**	**$212**

Comparative Tax Rate

Benchmark Counties	Class	2019 Population	2019 Real Estate Tax	Average Tax per Household	Median Household Income	2019 Average Tax per Household per Median Household Income	2019 Property Tax per Capita
Adams	5	103,009	$39,641,070	$942	$64,507	**1.46%**	**$385**
Dauphin	3	278,299	$105,926,477	$586	$58,916	**0.99%**	**$381**
York	3	449,058	$162,929,137	$661	$63,902	**1.03%**	**$363**
Franklin	4	155,027	$43,430,742	$666	$59,713	**1.12%**	**$280**
Lebanon	5	141,793	$33,477,672	$588	$59,114	**0.99%**	**$236**
Lancaster	3	545,724	$122,914,746	$412	$63,823	**0.65%**	**$225**
Cumberland	**3**	**253,370**	**$53,750,856**	**$370**	**$68,895**	**0.54%**	**$212**
Perry	6	45,969	$9,334,340	$516	$62,266	**0.83%**	**$203**

Commissioners:

Gary Eichelberger

Jean Foschi

Vincent T. DiFilippo

Acting Chief Clerk:

Stacy M. Snyder

Chief Financial Officer:

Dana L. Best

October 2020 Financial Analysis Committee Presentation

* Presentation is available at www.ccpa.net/finance