



Cumberland County

2010 Budget Briefing

Board of Commissioners:

Gary Eichelberger
Chairman

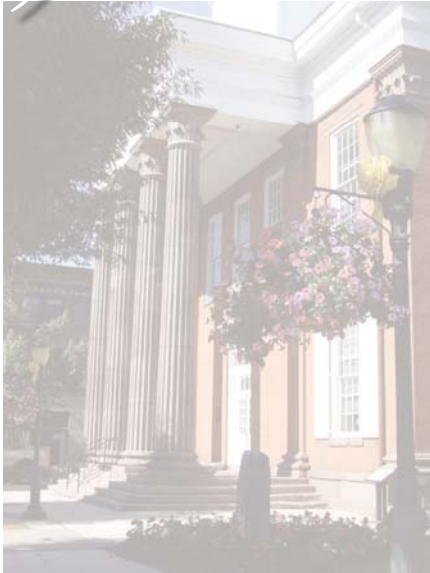
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Barbara Cross
Secretary

Dennis Marion
Chief Clerk

Dana Best
Director of Finance

Index:



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Introduction:



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.

The Cumberland County Commissioners maintain a strategic planning process to identify service priorities in tandem with an outcome-oriented financial management system. These management tools have helped to improve core services to County residents while maintaining one of the lowest tax rates in South Central Pennsylvania.

The 2010 Budget builds upon the 2009 County Strategy and Budget that received the Government Finance Officers Association (GFOA) award for Distinguished Budget Presentation. The award reflects the County's adherence to an extensive array of budget planning and financial management principles that include:

- Ensuring that the County maintains a strong financial base to support essential services even in a changing environment;
- Directing financial resources toward 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 minimize the cost of government and financial risks;
- Maximizing the level of public goods and services while minimizing the levels of debt and taxes.

Standard & Poor's confirmed the County's bond rating of AAA, a rare distinction among Pennsylvania counties and a firm indicator that the County has a strong sustainable long-term management structure and is prepared to enter 2010 in solid financial shape.

RESPONDING TO ECONOMIC CONDITIONS

The County was not immune to the problems facing the nation, State, and local area throughout the course of 2009. Because of the County's long-term planning initiatives and solid financial position we were able to weather the economic storms and the State budget crisis without severely cutting services or priorities.

As a result of the brewing economic conditions in 2008, the Commissioners called the elected officials and department heads into action with a cost management initiative when the economic crisis was beginning. Elected officials and department heads did an excellent job responding to the Commissioners' cost management initiative, reducing expenditures \$1 million in the 2008 budget and \$3.5 million in the 2009 budget. As a result, the County has been able to maintain priority services, its strong financial position, and the ability to respond to emergency situations. The County will enter 2010 with a solid fund balance due to the cost saving initiative.

The State made history this year by not passing a budget until October. The County continued to provide services without allocation awards from the State for more than three months. This impacted the County as well as our clients and providers. Diligent planning efforts by the Human Service agencies allowed the County to provide services with minimal impact to consumers and vendors. In order to prepare for similar emergencies that could occur in the future, the Commissioners have requested agencies to survey human service clients to assess the impact of the budget impasse.

The economy continues to affect several key areas of the budget and the Commissioners are extending their cost management initiative through 2010 and are requesting that departments reduce an additional \$2 million in expenditures.

Comparisons:

TAX ALLOCATION

(by level of government entity)

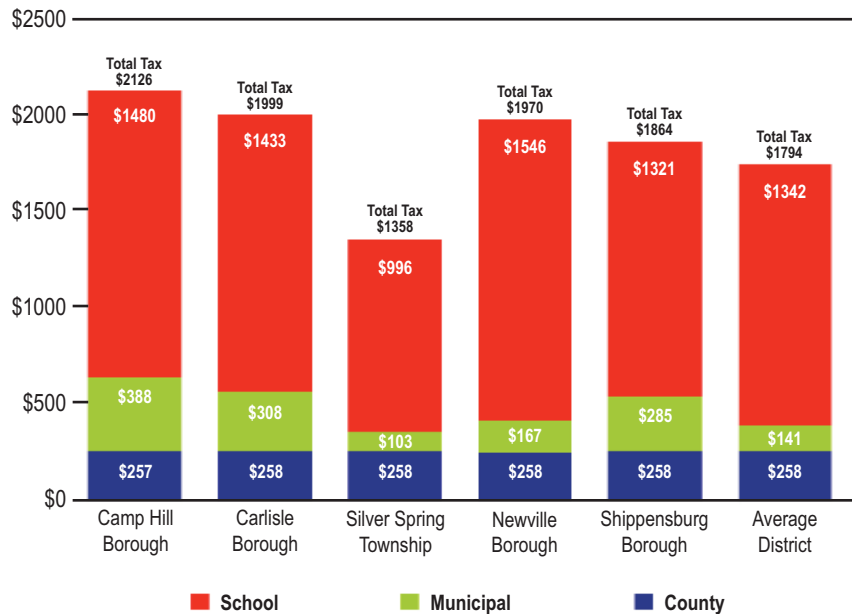
The Chart illustrates an estimate of local taxes paid on a home valued at \$100,000.

Cumberland County collected 14.82% of local tax dollars in 2009. These monies support a broad array of County services including, in part; the prison, courts, human services subsidy, and public safety. A complete list of how your tax dollars are spent is shown on the back of the tax bill.

Townships and boroughs collected 8.09% in taxes while local school districts brought in 77.09% of the total 2009 tax revenues.

2009 Tax Allocation

(Based on a \$100,000 Home)



COUNTY COMPARISONS

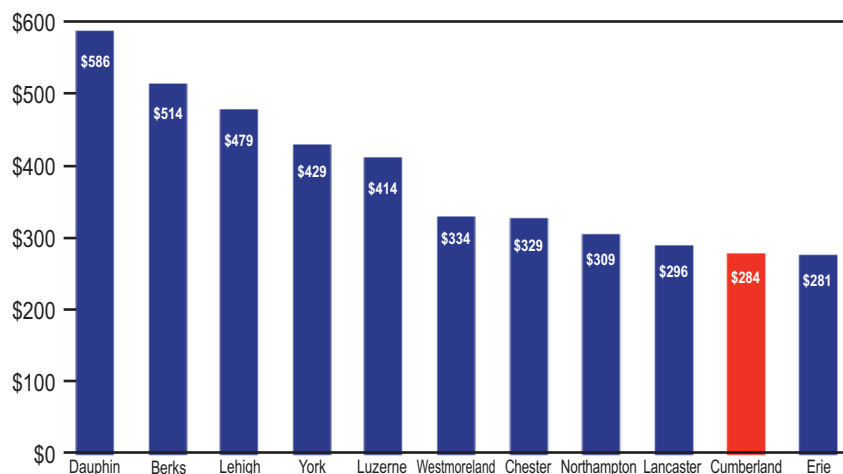
(General Fund expenditures)

Cumberland County General Fund expenditures per capita are \$284.

Based on the 2008 US Census population estimates, ten 3rd class counties were selected as benchmarks with Cumberland County. Of these counties, Cumberland County has the second lowest per capita ratio at \$284.

2009 General Fund Budgeted Expenditures

(Per Capita)



Budget Summary:

TOTAL COUNTY REVENUES & EXPENDITURES

MAJOR FUTURE PROJECTS WITH LONG TERM IMPACTS:

- Due to an increasing Prison population, a Prison expansion and renovation project began in 2008 which includes a 160 bed male housing unit and renovations to Central Processing. The project is expected to be completed in January 2010.
2010 Budget Cost: Phase 1 - \$637,000
- The Prison expansion and renovation project has necessitated the relocation of the Public Safety and 911 Call Center. Construction of this new facility began in December 2009.
2010 Budget Cost - \$7 million
- The 911 Infrastructure Project requires upgrading and relocating the existing emergency communications and 911 equipment and systems to accommodate the most recent developments in "next generation 911."
2010 Budget Cost - \$3.1 million
- A cost management strategy was implemented for the 2009 - 2010 budget years to achieve a \$5 million cost reduction. Towards that goal, some major projects were either deferred or cancelled for a cost reduction of over \$3.5 million. The Commissioners have targeted improved efficiencies and an additional cost reduction of \$2 million in 2010.

REVENUES

Tax Revenue	\$ 47,083,764
Grant Revenue	\$ 88,282,414
Interfund Revenue	\$ 21,189,686
Other Revenue	\$ 55,673,539
TOTAL REVENUES	\$212,229,403
Appropriated Fund Balances	\$12,402,633
TOTAL	\$224,632,036

EXPENDITURES

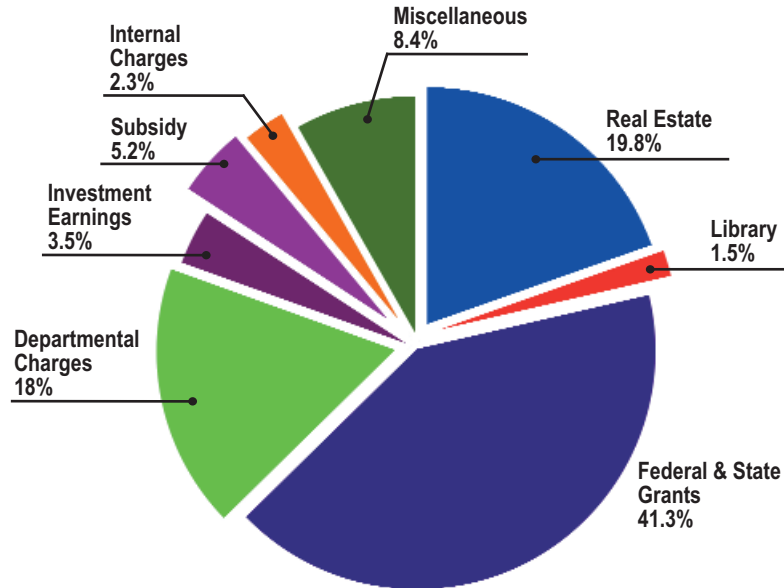
Salaries and Benefits	\$ 74,411,900
Operating Expense	\$118,576,935
Interfund Expense	\$ 20,461,387
Capital Expense	\$ 11,181,814
TOTAL EXPENDITURES	\$224,632,036

2010 total County:

REVENUES

2010 County Revenues

(Total by Categories: \$212,229,403)



REAL ESTATE TAXES: 19.8% **\$41,954,093**

The County is permitted by State law to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2010, County real estate taxes are levied at the rate of 2.399 mills for general County purposes. Real estate estimates are based upon assessed values, interim taxes, appeals, and delinquent tax collection estimates.

MISCELLANEOUS: 8.4% **\$17,835,796**

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

INTERNAL CHARGES: 2.3% **\$4,913,666**

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

SUBSIDY: 5.2% **\$11,111,635**

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

INVESTMENT EARNINGS: 3.5% **\$7,360,181**

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

DEPARTMENTAL CHARGES: 18.0% **\$38,176,670**

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 with an estimated increase.

FEDERAL & STATE GRANTS: 41.3% **\$87,732,001**

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

LIBRARY TAXES: 1.5% **\$3,145,361**

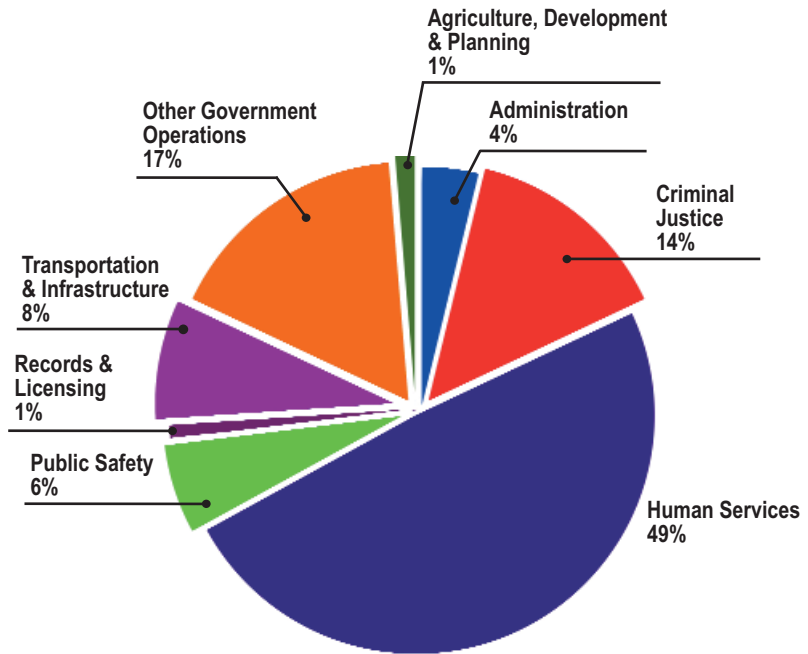
There is a levy for the County Library System at .180 mills. Library tax revenue is based on the estimated assessed values for the real estate taxes.

2010 Total County:

EXPENDITURES BY FUNCTION

2010 County Expenditures

(Total by Function: \$224,632,036)



Human Services: 49.0%
\$110,007,327

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

Criminal Justice: 14.0%
\$32,079,704

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

Administration: 4.0%
\$8,614,546

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

Agriculture, Development, & Planning: 1.0%
\$2,572,124

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

Other Government Operations: 17.0%
\$38,244,843

Non-departmental program innovation and contingencies.

Transportation & Infrastructure: 8.0%
\$17,417,746

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

Records & Licensing: 1.0%
\$3,148,225

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

Public Safety: 6.0%
\$12,547,521

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

2010 Total County:

EXPENDITURES BY FUNCTION

Budgeted Expenditures	
Administration	
Commissioners	721,329
Human Resources	485,578
IMTO	2,857,104
Finance	937,085
Assessment	2,322,240
Elections	939,429
Solicitors	351,781
Total Administration	\$ 8,614,546
Criminal Justice	
District Attorney	3,740,061
Public Defender	1,109,256
Clerk of Courts	751,424
Prison	11,052,749
Criminal Justice Planning & IP Programs	425,386
Courts	3,170,660
Magisterial District Judges	2,949,060
Adult Probation	3,389,973
Juvenile Probation	2,378,144
Domestic Relations	3,112,991
Total Criminal Justice	\$ 32,079,704
Human Services	
Nursing Home	25,636,748
Children & Youth	16,251,967
Drug & Alcohol	2,963,081
Aging & Community Services	10,849,404
Library	3,975,016
Mental Health/Mental Retardation	18,979,294
Veterans' Affairs	224,280
Health Choices	30,579,939
Early Learning Center	547,598
Total Human Services	\$110,007,327
Public Safety	
Public Safety	8,808,611
Coroner	720,621
Sheriff	3,018,289
Total Public Safety	\$ 12,547,521

Budgeted Expenditures	
Records and Licensing	
Recorder of Deeds	672,202
Treasurer	276,367
Register of Wills/ Clerk of Orphans' Court	459,833
Controller	1,079,372
Prothonotary	522,832
Records Improvement - County	137,619
Total Records and Licensing	\$ 3,148,225
Agriculture, Development, and Planning	
Planning	1,062,026
Conservation District	802,055
Agriculture Extension	408,265
Vector Control and Weights & Measures	242,264
Historical Society	57,514
Total Agriculture, Development, and Planning	\$ 2,572,124
Transportation and Infrastructure	
Transportation	2,476,786
County Buildings	12,346,927
Recycling & Waste Authority	632,589
Bridges/Liquid Fuels	1,961,444
Total Transportation and Infrastructure	\$ 17,417,746
Other Government Operations	
Grants	3,257,660
Debt	6,431,254
Subsidies	9,429,532
Insurance	1,522,791
Hotel Tax	1,211,250
Workers' Compensation	740,000
Retirement	13,344,450
Administrative Services	107,140
Affordable Housing	250,766
Other Government Operations	1,950,000
Total Other Government Operations	\$38,244,843

2010 TOTAL COUNTY BUDGET . . . \$ 224,632,036

Budget Summary:

GENERAL FUND REVENUES & EXPENDITURES

MANAGING THE BUDGET:

- 2010 Budget contains no tax increase.
- A cost management strategy has been implemented that targets funds towards priority services while achieving at least \$5 million in cost reductions over the 2009 and 2010 budget years. Departments generated \$3.5 million in savings to date.
- Through the American Recovery and Reinvestment Act (ARRA) Cumberland County was awarded a \$2.2 million block grant from the U.S. Department of Energy to implement a variety of energy efficiency and conservation projects.
- Children & Youth Services subsidy was held at 2009 levels.

GENERAL FUND REVENUES

Real Estate Taxes	\$	41,954,093
Library Taxes	\$	3,145,361
Per Capita Tax	\$	669,810
Other Revenue	\$	4,314,354
Investment Earnings	\$	437,061
Federal & State Grant Revenue	\$	4,167,518
Departmental Charges	\$	8,072,300
Court Costs/Fees/Charges	\$	644,700
TOTAL REVENUES	\$	63,405,197

GENERAL FUND EXPENDITURES

General Government	\$	14,958,638
Tax Assessment	\$	1,655,727
Grants to Agencies	\$	3,257,660
Other Services	\$	2,126,643
Debt Retirement	\$	3,214,793
Library System	\$	3,975,016
County Subsidies	\$	9,429,532
Corrections	\$	14,868,725
Judicial	\$	14,826,468
TOTAL EXPENDITURES	\$	68,313,202

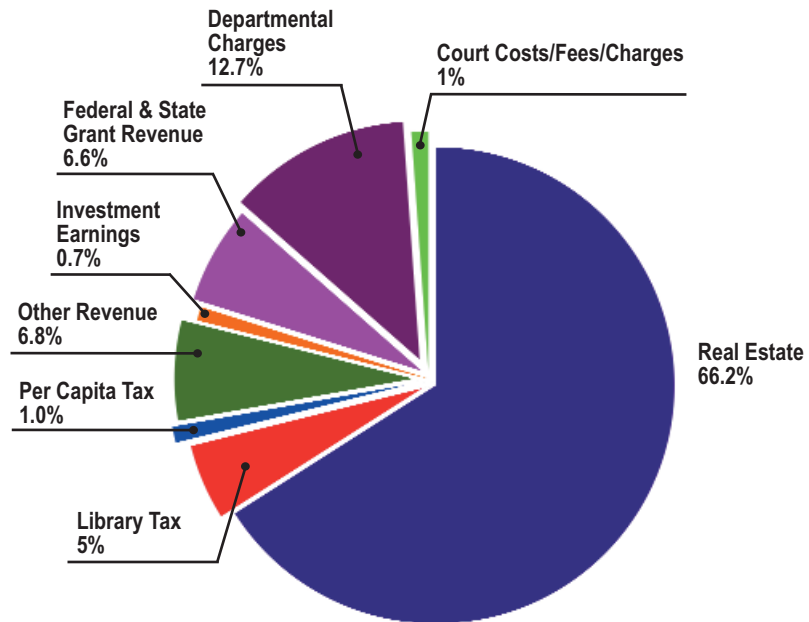
**Additional Budget Cuts/Total
Fund Balance Appropriations** (\$ 4,908,005)

2010 General Fund:

REVENUES

2010 County Revenues

(Total by Source: \$63,405,197)



Real Estate Taxes: 66.2% **\$41,954,093**

The County is permitted by State law to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2010, County real estate taxes are levied at the rate of 2.399 mills for general County purposes. Real estate estimates are based upon assessed values, interim taxes, appeals, and delinquent tax collection estimates.

Library Taxes: 5% **\$3,145,361**

There is a levy for the County Library System at .180 mills. Library tax revenue is based on the estimated assessed values for the real estate taxes.

Per Capita Tax: 1.0% **\$669,810**

Per capita tax is based on current per capita rolls maintained by the County Assessment office as of July 31st of the current year.

Other Revenue: 6.8% **\$4,314,354**

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

Investment Earnings: 0.7% **\$437,061**

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

Federal & State Grant Revenue: 6.6% **\$4,167,518**

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

Departmental Charges: 12.7% **\$8,072,300**

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 with an estimated increase.

Court Costs/Fees/Charges: 1% **\$644,700**

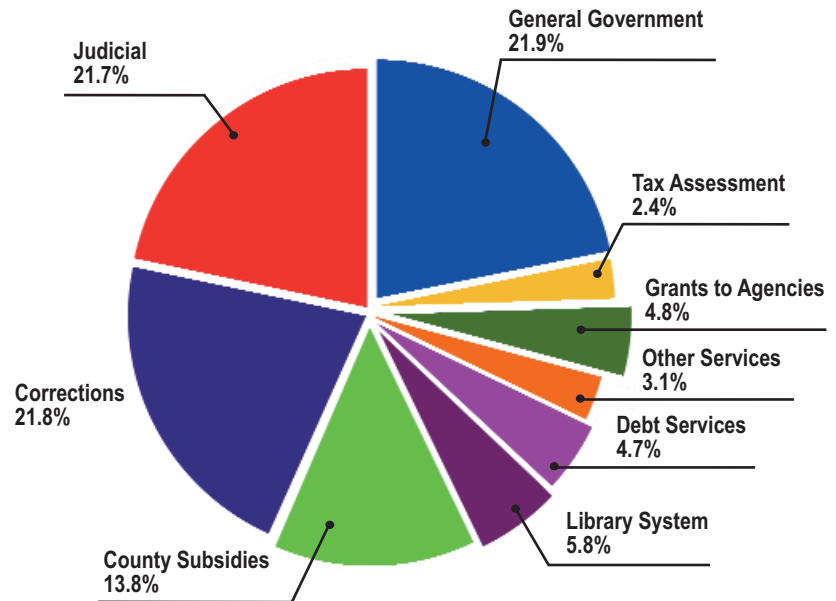
Payment of court-related fees, charges, costs, fines, and other monetary penalties.

2010 General Fund:

EXPENDITURES

2010 County Expenditures

(Total GF Expenditures: \$68,313,202)



General Government: 21.9%
\$14,958,638

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

Tax Assessment: 2.4%
\$1,655,727

Assign fair and equitable assessments to all real property in the County for the generation of accurate tax bills. Collect and distribute tax revenues to all taxing authorities in a timely manner.

Grants to Agencies: 4.8%
\$3,257,660

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

Other Services: 3.1%
\$2,126,643

Services not represented in any other category.

Debt Retirement: 4.7%
\$3,214,793

Repayment of debt.

Library System: 5.8%
\$3,975,016

Library services to residents of the County.

County Subsidies: 13.8%
\$9,429,532

Financial assistance to funds outside the general fund.

Corrections: 21.8%
\$14,868,725

Services provided by the Prison, Adult and Juvenile Probation, and other correctional programs.

Judicial: 21.7%
\$14,826,468

Services provided by the County to the Courts.

2010 General Fund:

EXPENDITURES BY FUNCTION & DEPARTMENT

	<u>Budgeted Expenditures</u>
Administration	
Commissioners	721,329
Human Resources	485,578
IMTO	2,857,104
Finance	937,085
Assessment	2,322,240
Elections	921,198
Solicitors	351,781
Total Administration	\$ 8,596,315
Criminal Justice	
District Attorney	2,745,009
Public Defender	1,109,256
Clerk of Courts	751,424
Prison	10,060,611
Courts	3,170,660
Magisterial District Judges	2,949,060
Adult Probation	2,429,970
Juvenile Probation	2,378,144
Total Criminal Justice	\$ 25,594,134
Human Services	
Library	3,975,016
Veterans' Affairs	224,280
Total Human Services	\$4,199,296
Public Safety	
Public Safety	727,315
Coroner	720,621
Sheriff	3,018,289
Total Public Safety	\$ 4,466,225

	<u>Budgeted Expenditures</u>
Records and Licensing	
Recorder of Deeds	545,107
Treasurer	276,367
Register of Wills/ Clerk of Orphans' Court	459,833
Controller	1,079,372
Prothonotary	522,832
Total Records and Licensing	\$ 2,883,511
Agriculture, Development, and Planning	
Planning	1,062,026
Agriculture Extension	408,265
Vector Control and Weights & Measures	242,264
Historical Society	57,514
Total Agricultural, Development, and Planning	\$ 1,770,069
Transportation and Infrastructure	
County Buildings	2,511,736
Total Transportation and Infrastructure	\$ 2,511,736
Other Government Operations	
Grants	3,257,660
Debt	3,214,793
Subsidies	9,429,532
Insurance	332,791
Administrative Services	107,140
Other Government Operations	1,950,000
Total Other Government Operations	\$18,291,916

2010 TOTAL GF BUDGET **\$ 68,313,202**

Items of Note:

ONGOING & FUTURE INITIATIVES:

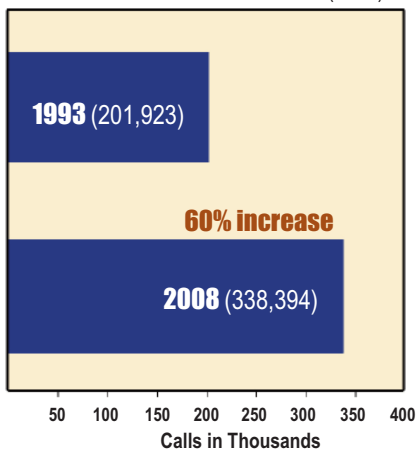
STRATEGIC FACILITY PLANNING AND SPACE ALLOCATIONS:

- A comprehensive space utilization review has been implemented to assist in future planning efforts. This review analyzed functional and operational needs of departments.
- The County is currently engaged in a massive space allocation program due to legislation creating an additional judgeship for Cumberland County in 2012.
- The strategic facility plan will allow the County to meet not only current needs but allow for future growth, improve work flow process, and co-locate internal departmental functions.

PUBLIC SAFETY BENEFITS:

Public Safety Communications Center receives emergency and non-emergency calls from throughout the County, determines the most effective response, then dispatches and coordinates the appropriate police, fire, and/or emergency medical services.

911 Call Demand Volume (2008)



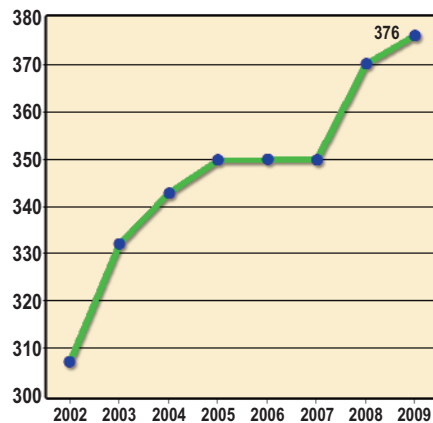
911 Report (2008)

Incoming Telephone Activity		Radio System Dispatch Incidents			
Total Incoming Calls	911 Emergency Calls	Fire Incidents Generated / Processed	EMS Incidents Generated / Processed	Police Incidents Generated / Processed	County Agency Incidents Generated / Processed
423,596	87,214	11,618	26,976	124,385	3,118

PRISON EXPANSION PROJECT:

- Phase 1 of the Renovation Project began in August 2008 and is slated for completion in early 2010, at a cost of \$11 million.
- The project consisted of construction of a male housing unit (four housing blocks of 40 beds each, totaling 160 beds), construction of a 4,478 sf booking center as well as upgrades to internal systems
- Continued analysis for timing of phases 2 and 3 of Prison renovations

Average Daily Prison Population (2009)



PUBLIC SAFETY BUILDING AND 911 CALL CENTER CONSTRUCTION:

- Expected Completion Date: March 2011
- Total Project Cost: \$7.9 million
- New facility will require replacement and upgrade of communication and support systems to make the building viable and ensure connectivity with the public and emergency services agencies.
- Infrastructure Project Cost: \$3.5 million
- By 2020, an expected 15 dispatchers and 23 staff will be needed to serve a projected 269,375 County residents.

ENERGY SAVINGS PROJECTS:

Through the American Recovery and Reinvestment Act (ARRA), Cumberland County was awarded a \$2.2 million block grant from the United States Department of Energy to implement a variety of energy efficiency and conservation projects. This funding will be used to implement internal projects and provide subgrants to municipalities and non-governmental organizations with eligible projects. All energy projects must be completed by September 30, 2011.

Proposed Program Allocation

Activity	Cost
Energy Efficiency & Conservation Strategy Development	\$100,000
Energy Efficiency & Conservation Retrofits for County Buildings	\$1,210,120
Municipal Government & Non-Profit Energy Efficiency Subgrant Program	\$297,552
LED Streetlight & Traffic Light Replacement Program	\$98,178
Renewable Energy on Government & Non-Profit Facilities	\$50,000
Energy Efficiency & Conservation Revolving Loan Fund	\$441,600
Energy Audits for Municipal Buildings & Facilities	\$9,850

FINANCIAL MANAGEMENT:

- The economy continues to affect several key areas of the budget. The Commissioners are extending their cost management initiative through 2010, requesting departments to reduce expenditures by an additional \$2 million.
- Elected officials and department heads responded to the Commissioners' initiative in 2009 by reducing expenditures by \$3.5 million.

PERFORMANCE MANAGEMENT:

- Performance management is an integral part of the County's strategic planning process to identify service priorities and improve efficiencies of operations. The Commissioners annually produce a Strategic Report which can be viewed under *Commissioners: Strategic Plan/Vision* at www.ccpa.net.



Prepared by the Cumberland County Board of Commissioners

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