



# The County of York

## 2015 Final Budget

**Adopted:  
December 24, 2014**



# 2014 RESULTS

...planning for sustainability

## *Did we meet our objectives?*

- **Develop Strategy for migration of 911 radio system**
  - In 2012, Congress passed legislation requiring all public radio systems vacate “T-band” frequencies and migrate to designated emergency services frequencies in the 470 – 512 MHz range
  - York County initiated a new \$27 million project to comply and has acquired the necessary frequencies
  - Tower acquisition and system planning commenced in the 2<sup>nd</sup> quarter of 2014
  - Project is expected to be completed year-end 2017

## *Did we meet our objectives?*

- **Finalize plans for Judicial Center 5<sup>th</sup> Floor build-out**
  - Construction commenced mid-year 2014 and is expected to be complete mid-year 2015
  - Total project budget is \$7.1 million
  
- **County-wide Voice-Over-Internet Protocol telephony system**
  - System design and provider selection completed in 2014
  - Commissioner approval not yet obtained



## *Notable Achievements in 2014*

- **Refunded 2003 GO bonds with \$2.7 million net debt service savings in 2014**
- **Advance refunded 2006 GO bonds with anticipated \$9 million savings over maturity life of the bonds**
  - Expected to create an \$3.6 million net debt savings in calendar year 2015
- **Consolidated Adult and Juvenile Probation departments**
  - Improved management oversight and accountability
  - Provides improved manpower flexibility to meet changing program needs



## ***Notable Achievements in 2014***

### **➤ Expanded Municipal Partnership Grant Programs**

- Marcellus Shale Legacy Fund
  - Over \$2 million of grants awarded to-date
- Solid Waste Host Fee Fund
  - New start-up program in 2014

### **➤ Completed \$2.5 million ESCO project to increase energy efficiency of County facilities**

- Estimated annual utility savings of \$400,000
- Extended useful life and quality of Annex office complex

## *Notable Achievements in 2014*

- **Initiated Server Virtualization program**
  - IT department initiated roll-out of new program to network County servers to provide increased flexibility, redundancy and efficiency
  - Project expected to reduce maintenance costs \$150,000 per year
  
- **York County Parks facility upgrade project**
  - Improved Rocky Ridge Park playground equipment
  - Surfaced access roads and parking facilities at Spring Valley Park



## *Notable Achievements in 2014*

- **Continued investment in alternative Treatment Courts**
  - Utilization of Treatment Courts continues to impact Prison operating costs via reduced prison “jail day” demand
  - Estimated \$1 million saving in annual jail days

# 2014 RESULTS

## *Demonstrating financial stability...*

- Estimated \$17.0 million fund balance
- Total General Fund spending \$4.2 million under budget
- Tax revenues \$531,000 above plan
- ICE revenues essentially on budget
- PAN&RC subsidy \$200,000 below budget
- 911 subsidy \$2.2 million below budget
- CY&F subsidy \$1.6 million below budget





## FAVORABLE TRENDS:

- Tax Revenues continue to increase nominally, reflecting a leveling off or reduction in property reassessments
- BICE detainee population has stabilized after several years of variability
- CY&F subsidy continues to reflect downward trend and leveling off of child placement costs

## UNFAVORABLE TRENDS:

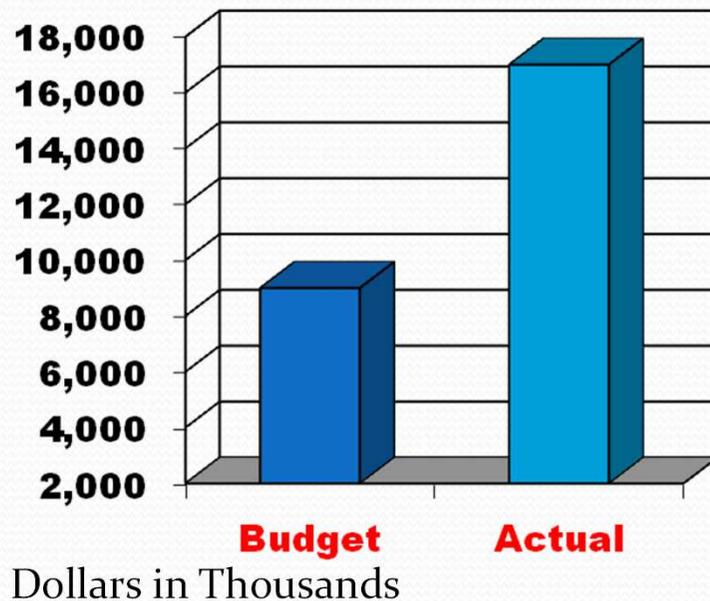
- Continued reliance on one-time debt service refunding opportunities to balance budget
- Health care costs continue to increase 7% annually
- Increasing debt service costs related to unanticipated 911 radio project and uncertain reimbursement of costs from federal government

## UNFAVORABLE TRENDS:

- Bargaining unit contract increases have moderated, but union wages continue to out-pace non-bargaining employee salaries
  - Differential compresses compensation program

# 2014 Year End Cash Position

## Unrestricted Year-end Cash Balance



- ▶ Projecting \$4 million surplus
  - ▶ \$2.7 million from 2003 bond refunding
- ▶ Year-end Unrestricted Cash Balance = \$17.0 M
- ▶ \$20 Million TRAN will continue to be required to provide gap financing in 2015





# The 2015 Budget

**... working toward sustainability**

# Total County Budget

	<u>2014</u>	<u>2015</u>
▪ <b>GENERAL FUND</b>		
▪ Principal County Operating Budget	\$188.1	\$194.3
▪ Dedicated Library Tax	2.5	2.6
▪ Capital Reserve Fund		
● <b>PROPRIETARY FUND</b>		
• York County Nursing Home	42.8	43.3
• 911 County Control	16.8	17.4
● <b>SPECIAL REVENUE FUND</b>		
• Principal Human Services Budget	93.8	93.7
• Domestic Relations Budget	5.1	5.1
• Housing, CDBG & Liquid Fuels Budget	87.8	90.2
● <b>FIDUCIARY FUND</b>		
• Retirement Fund	16.3	17.4
• Tax Claim	23.5	23.2
<b>TOTAL BUDGET</b>	<b>\$ 476.7</b>	<b>\$ 487.2</b>

Dollars in Millions



## 2015 Budget Objectives

Implement strategy for migrating 911 radio system to new public safety spectrum

Complete Judicial Center 5<sup>th</sup> Floor build-out

Implement County-wide Voice Over Internet Protocol telephony system

# The Bottom Line...

- **2014 General Fund Budget**

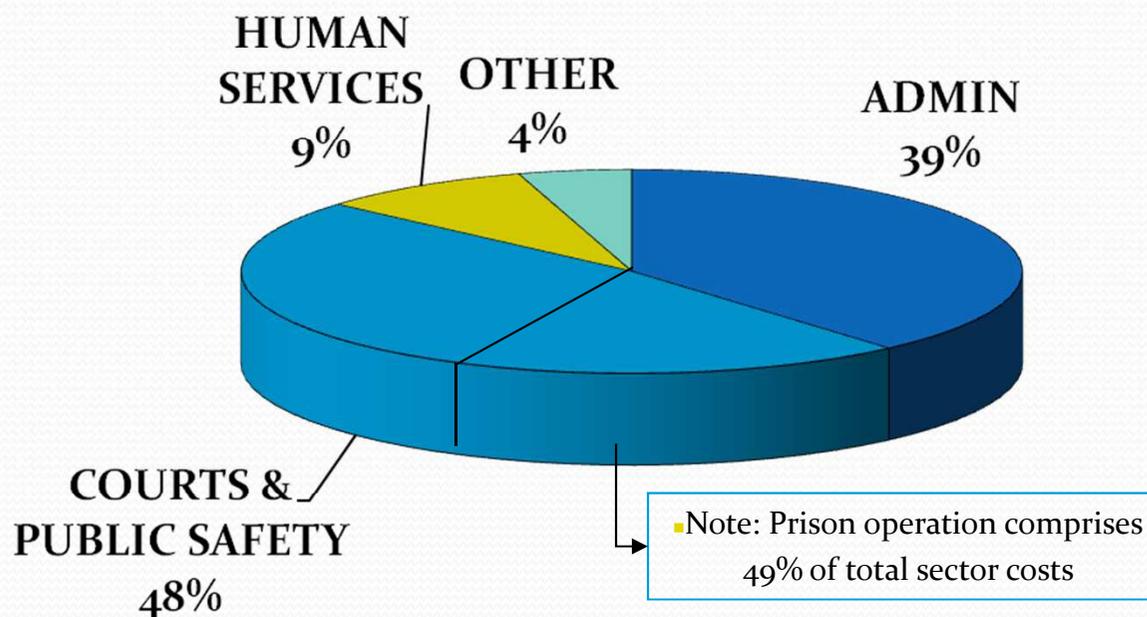
- **\$190,561,484**
- Millage Rate = 4.52
  - No increase from 2013
- Includes Dedicated Library Tax (.1 Mill)

- **2015 General Fund Budget**

- **\$196,912,132**
- Millage Rate = 4.52
  - No increase from 2014
- Includes Dedicated Library Tax (.1 Mill)

# 2015 General Fund Expense Summary by Sector

**Total General Fund = \$196,912,132**



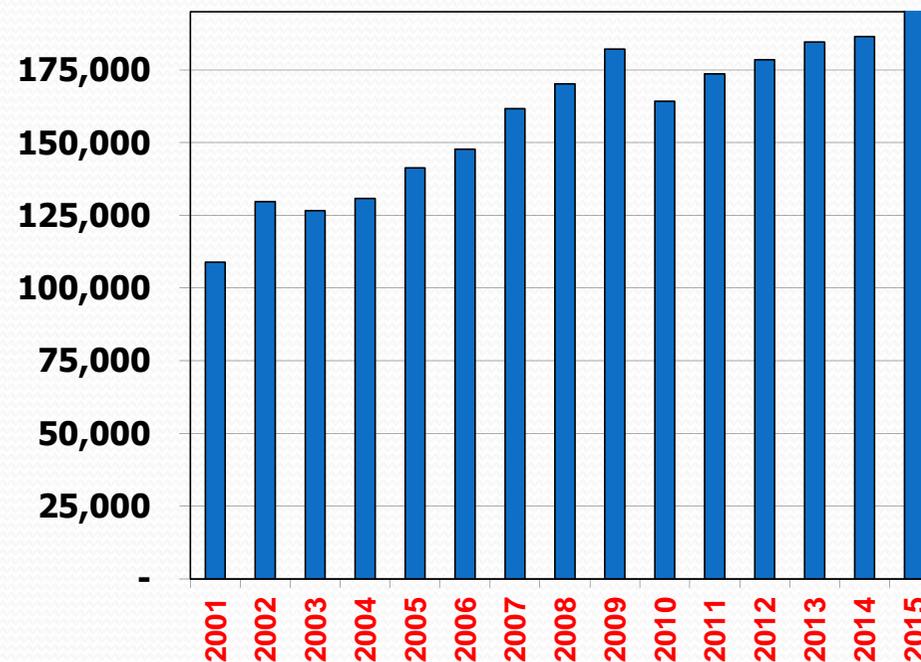
How Your Tax Dollars Are Utilized...

# General Fund Growth Trend

<u>2014 Est</u>	<u>2015 Bud</u>	<u>Incr.</u>
\$186,409,549	\$196,912,132	5.6%

## Average Growth Per Year:

2001 - 2014	+4.5%
2014	+ 5.6%

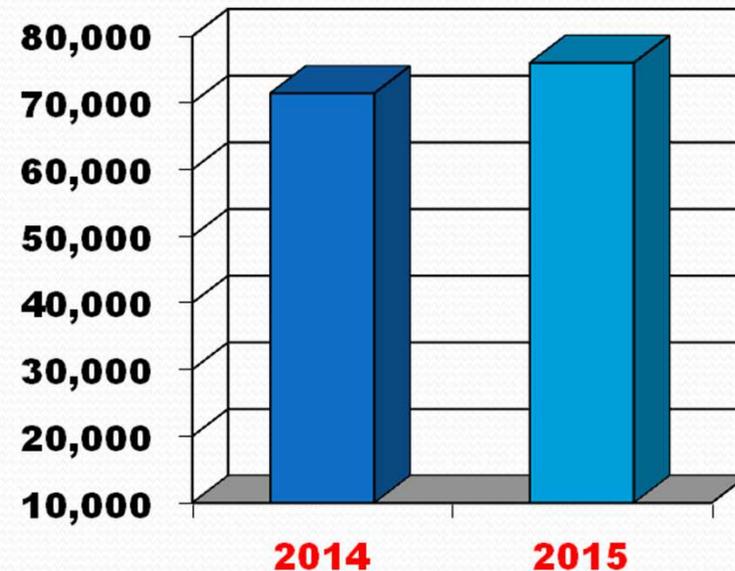


Dollars in Thousands

# GOVERNMENT ADMINISTRATION

- Includes:
  - Support functions
  - Debt service
  - Employee benefits
- 2015 Budget = \$76.0M
- Debt Service up \$2.5 million
- IT capital improvements:
  - Virtual Server project
  - Upgrade to Windows 7

2014 / 2015 BUDGET  
COMPARISON

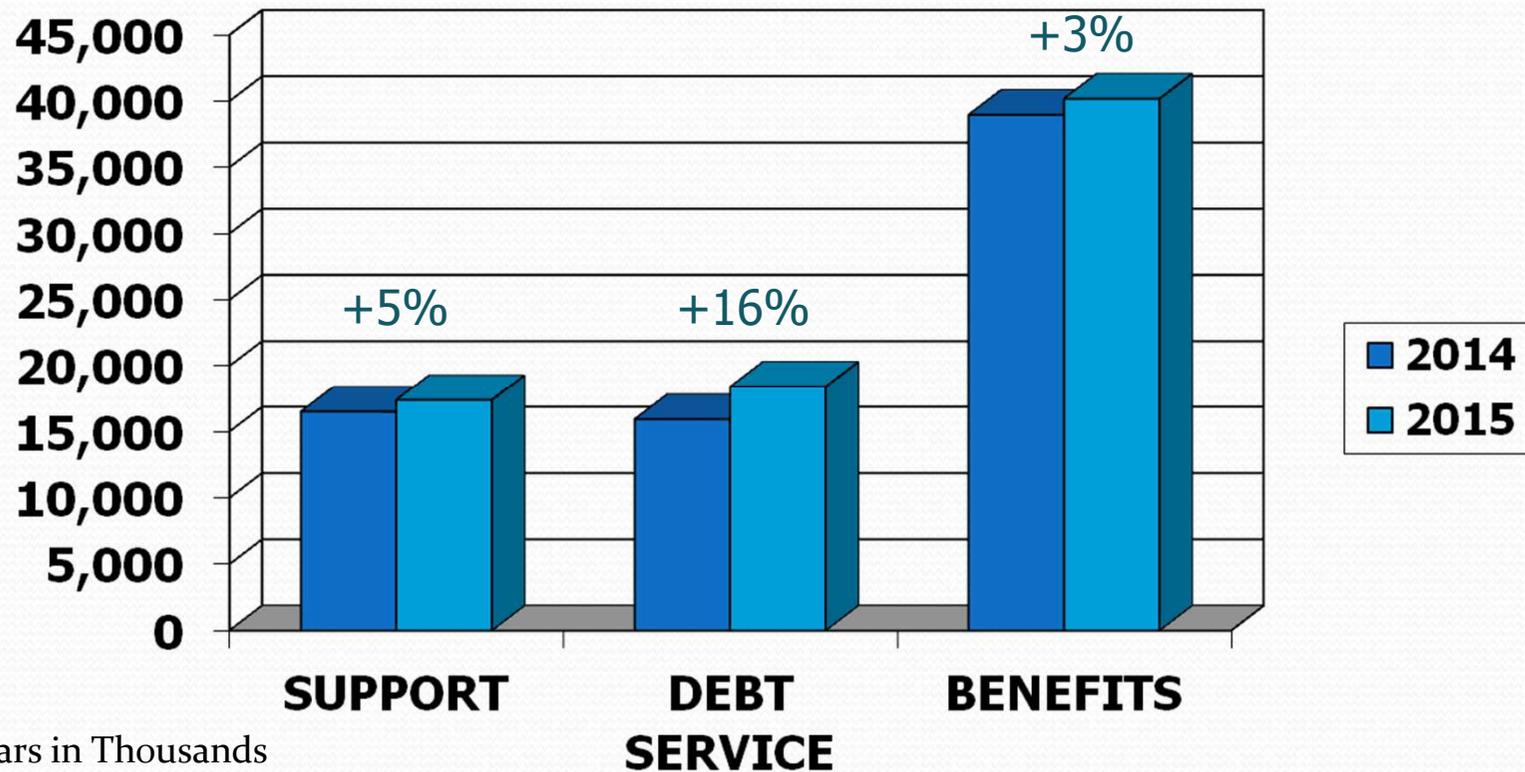


Dollars in Thousands

# Government Administration

- Major impacts:
  - Benefit costs up \$1.2 million
    - Retirement Plan contribution (ARC) reduced from \$10 million to \$9.4 million
    - Health care claims costs are projected up 7% from 2014
      - Partially offset by higher employee contributions
  - Debt Service costs are up \$2.5 million from 2014
    - Anticipated refunding of 2006 bonds will provide \$3.6 million of debt service relief in 2015

# Government Administration

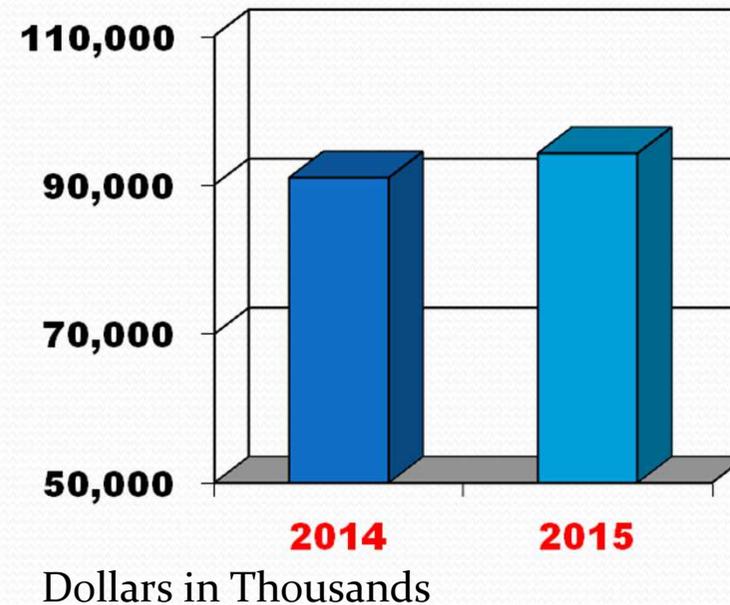


Dollars in Thousands

# COURT SYSTEM & PUBLIC SAFETY

- Includes:
  - Court & Court related functions
  - Corrections
  - Public Safety
- 2015 Budget = \$94.2M
- Total expenses are up \$3.3 million or 3.6%

2014/ 2015  
BUDGET COMPARISON

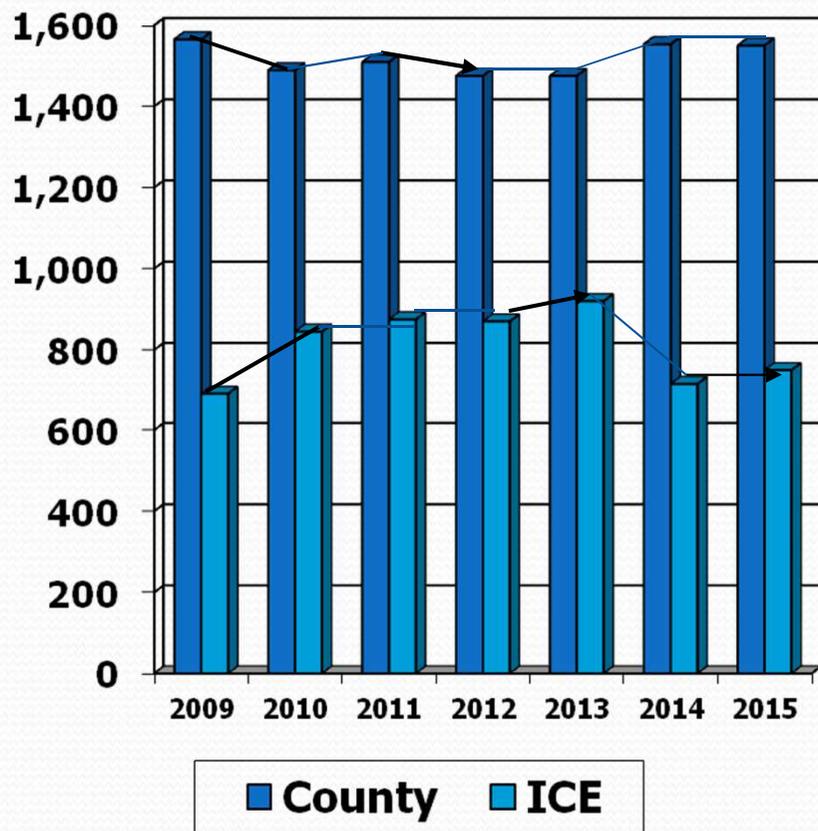


# Court System & Public Safety

- Major Impacts:
  - Prison operating costs up \$2.3 million
    - Loss of telephone commissions results in \$900,000 impact
      - Commissions previously used to offset prisoner –related expenses
  - Average “out-of-county” prison populations projected to hold steady at 800 detainees per day
    - Annual ICE revenue projected to be \$22.7 million
    - Projected 2015 “out-of-county” inmate daily populations:
      - ICE - 750
      - DOC - 50
    - 2014 actual daily ICE population = 756

# Court System & Public Safety

## Average Daily Prison Population

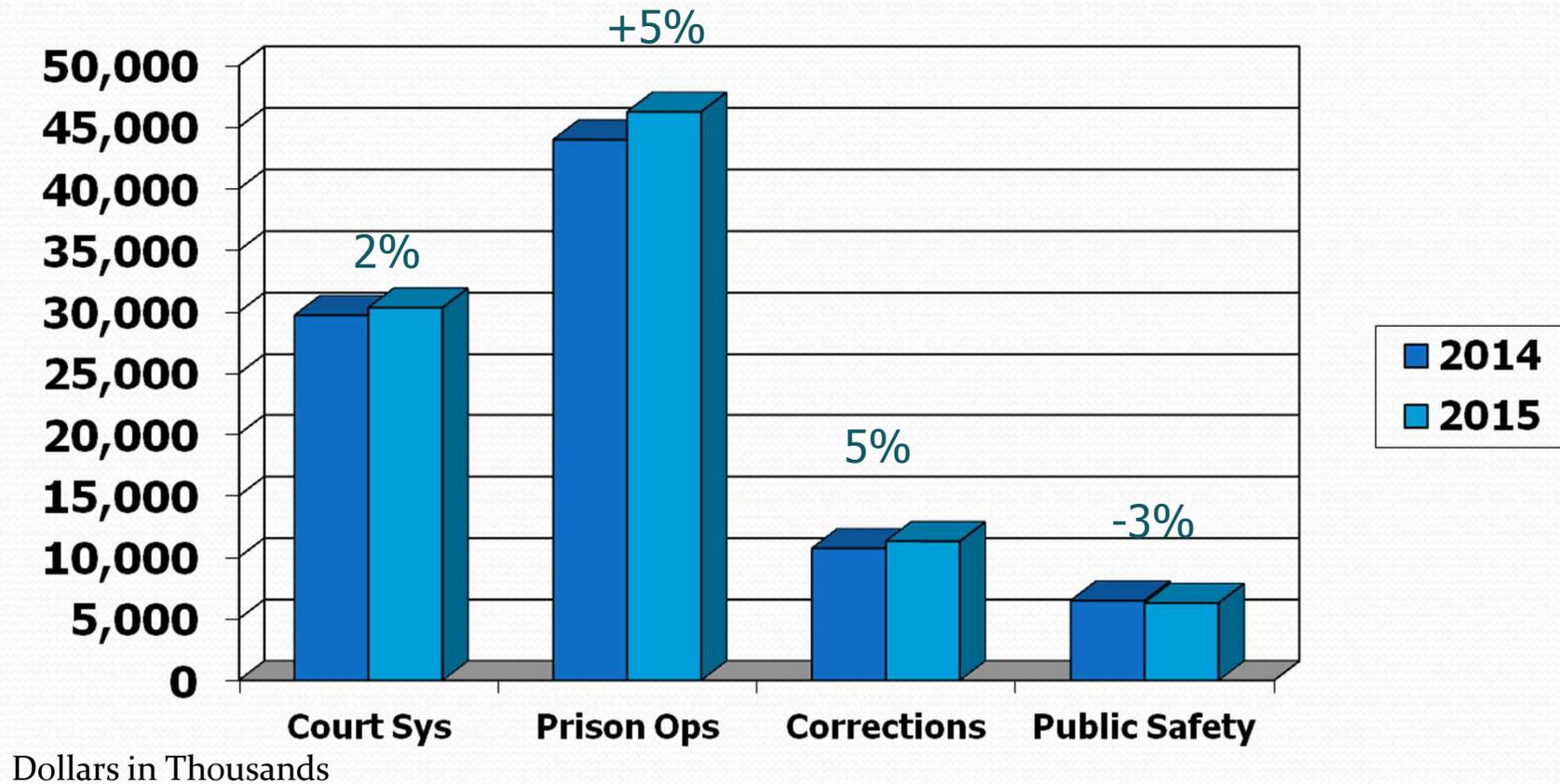


- Average York inmate population is rising and reflects increasing court caseload
  - 2015 average population is 1,553
- ICE population has stabilized over the past 2 years
  - 2014 average population was 716
  - 2015 average population projected at 750

# Court System & Public Safety

- Major Impacts (Cont'd):
  - 911 Operations subsidy down \$197,000
    - Reflects increased PEMA funding for 2014/2015
  - MDJ budgets up \$208,000, reflecting increased office rental expense and office equipment costs

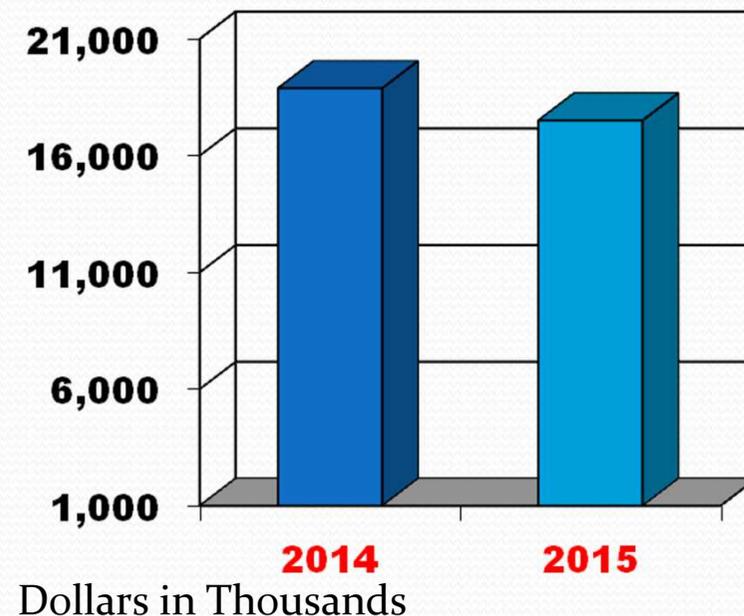
# Court System & Public Safety



# HUMAN SERVICES

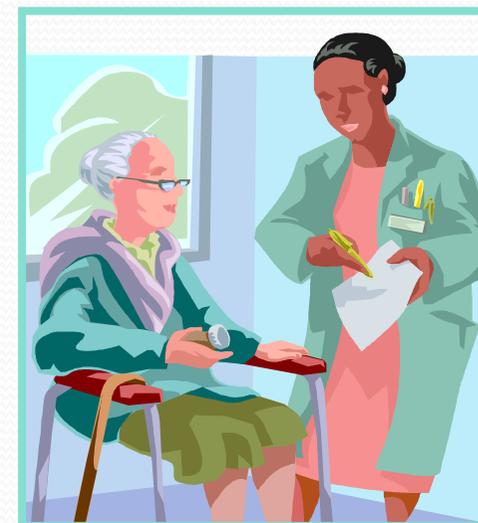
- Includes:
  - CY&F
  - MH/IDD
  - Area Agency on Aging
  - PAN&RC
  - Veterans Affairs
- 2015 Budget = \$17.5 Million
- Total expenses down \$1.4 million
  - PAN&RC subsidy up \$.5 M
  - CY&F subsidy down \$1.9 million

2014 / 2015 BUDGET  
COMPARISON

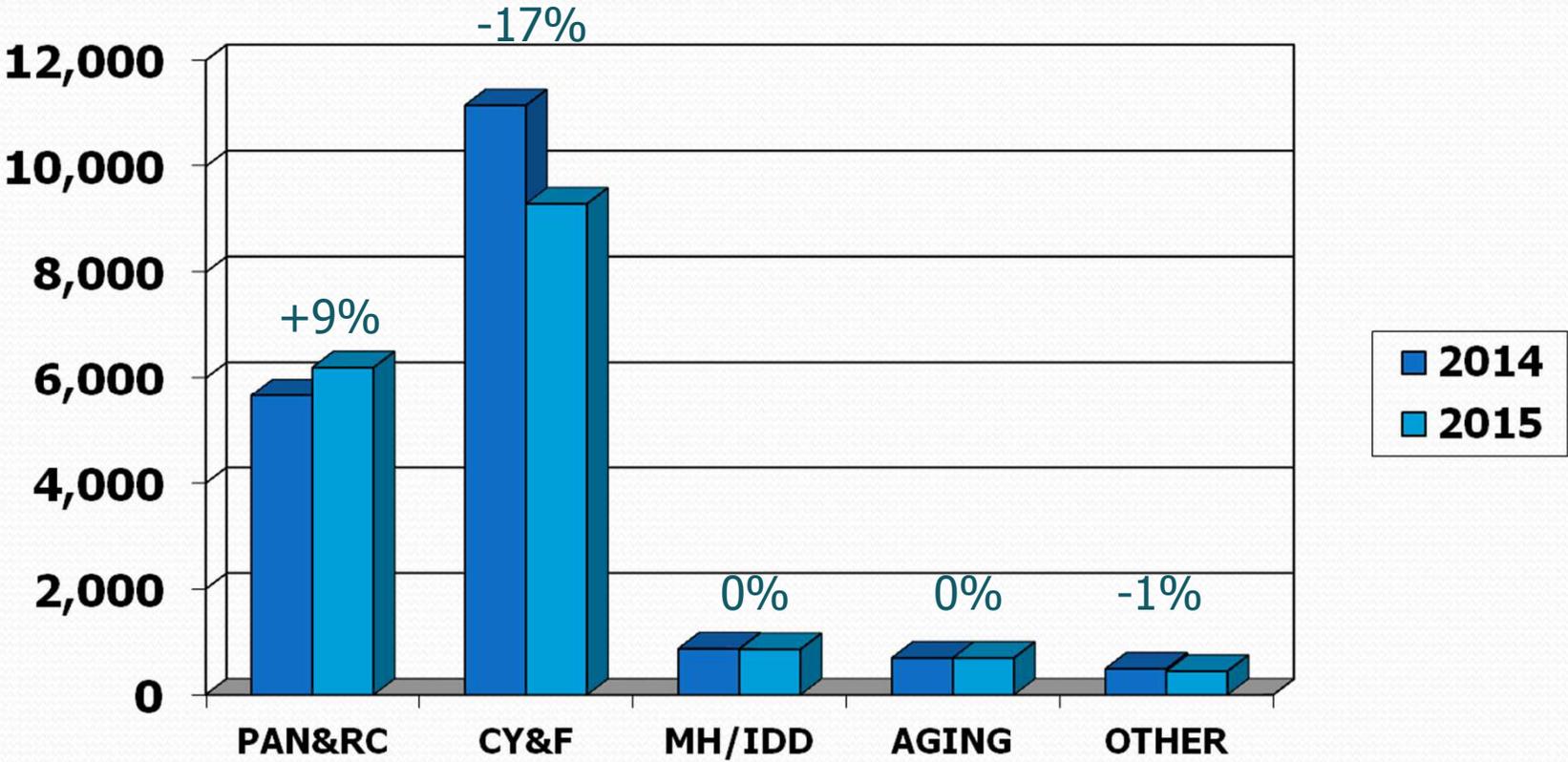


# Human Services

- Major Impacts:
  - PAN&RC subsidy up \$535,000 from 2014
    - 2015 subsidy is \$6.2 million
    - Reflects higher operating costs related to contract wage increases and planned capital improvements
    - PAN&RC population is 90% Medicare/Medicaid dependent
  - CY&F subsidy is down \$1.9 million
    - Reflects overstated 2014 subsidy
    - Turnover in Agency finance department resulted in miscalculation of prior year “Needs-Based” budget
  - Human Services and MH/IDD budgets down \$66,000, combined



# Human Services

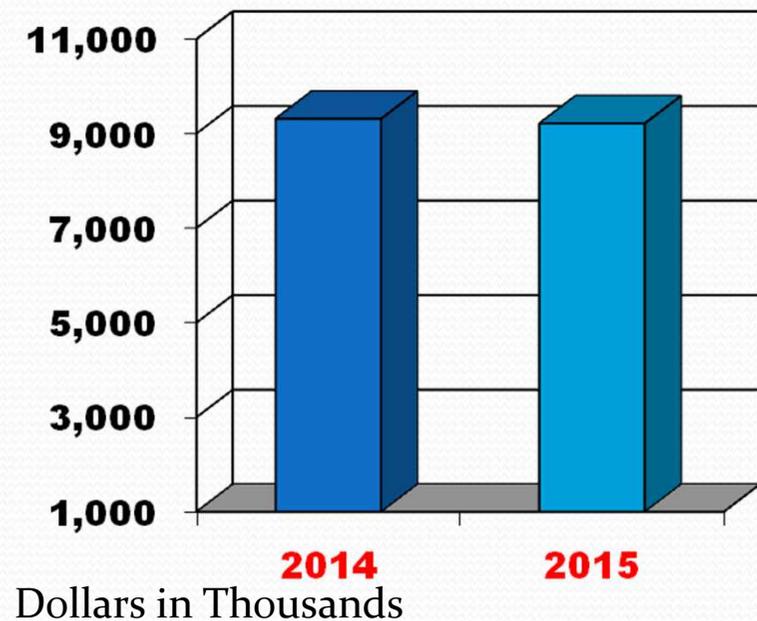


Dollars in Thousands

# OTHER EXPENSES

- Includes:
  - Government Services
    - Planning Commission
    - Conservation District
    - Ag Preservation
    - Rabbittransit
    - YCEA
  - \$1.4 M of Discretionary allocations
- 2015 Budget = \$9.2 Million
- Expenses are down \$100,000 or 1%

2014 / 2015 BUDGET  
COMPARISON



# Other Expenses

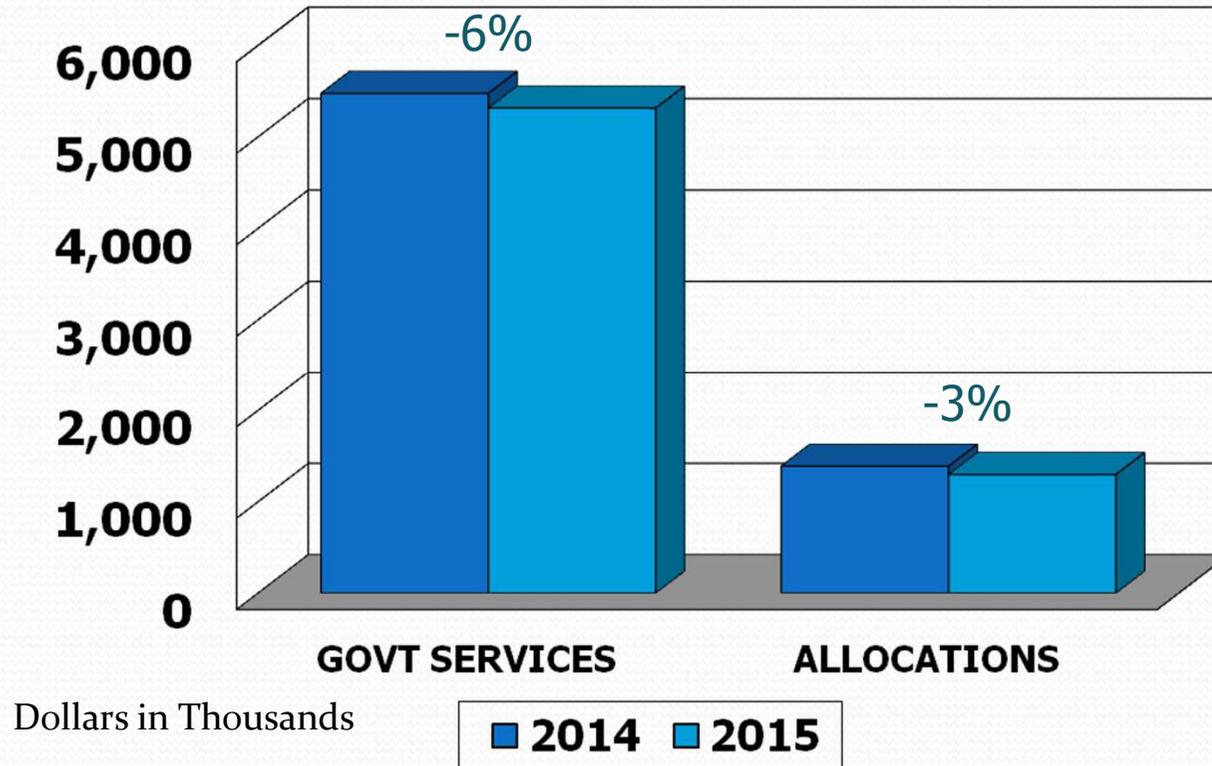
- Major Impacts:

- Includes \$100,000 for City Nuisance Abatement officers
- Many Special Allocations reflect minor increases in funding levels

- New allocations include:

- Supplemental funding for the York Library System \$60,000
  - For computer equipment upgrades
- HMIS match funding 5,000
- York County ATR 10,000
- ChesapeakeBay Pollution Reduction 30,767

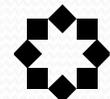
# Other Expenses



# Millage Rate Distribution

SECTOR	2015 BUDGET <sup>(1)</sup>	MILL RATE
Govt Admin	\$ 56,690,020	1.96
Court System & Public Safety	\$ 48,951,014	1.69
Human Services	\$ 17,502,895	.61
Other Expenses	\$ 5,135,637	.16
Library Tax	\$ 2,450,000	.10
<b>TOTAL</b>	<b>\$ 130,729,566</b>	<b>4.52</b>

Note (1): Budget expense net of revenue offsets



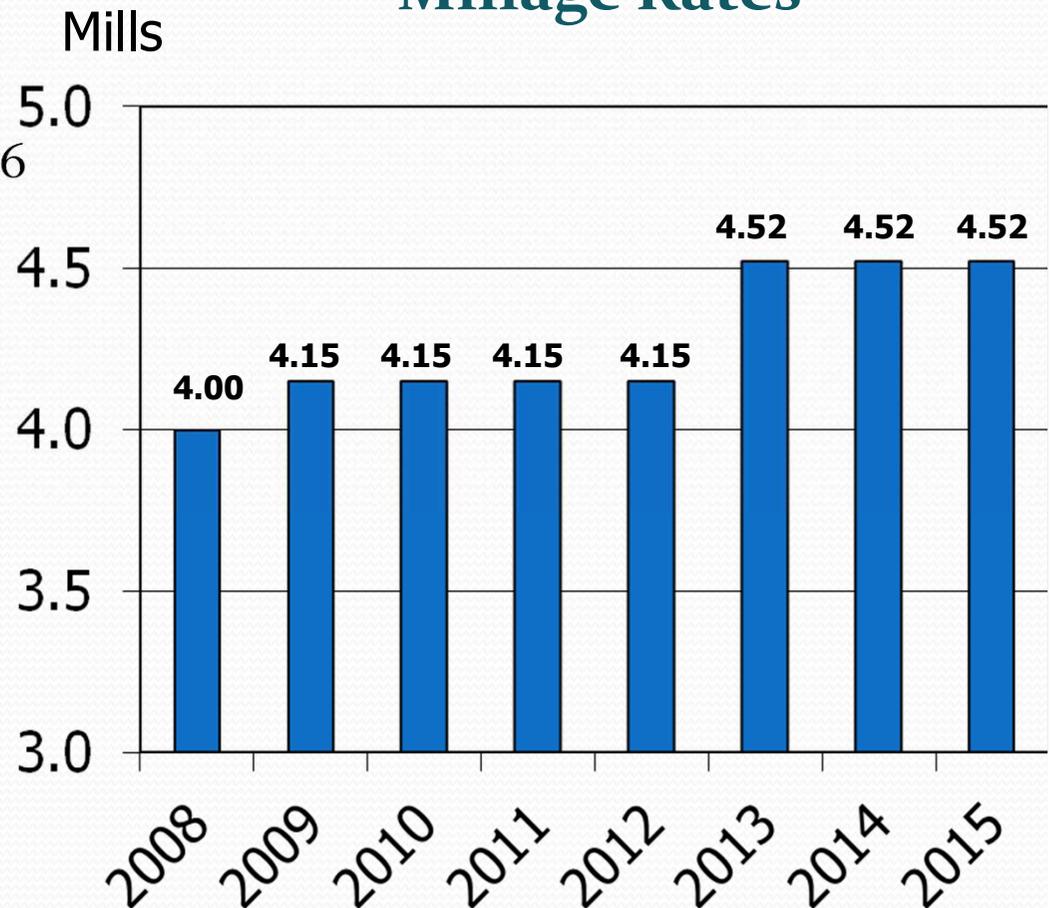
# Tax Rate History

- **County taxes have risen .52 mills since 2008, or 13%**
  - Average <2.0% / year
  - No increase in 5 out of the past 6 years

- **% Increase per year:**

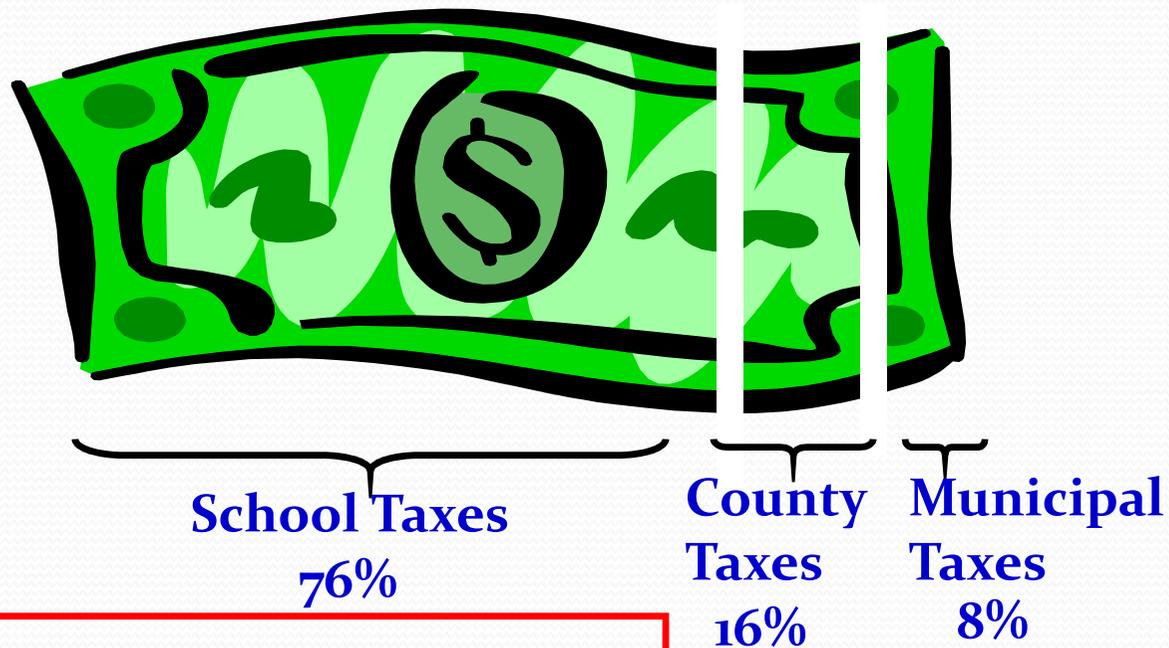
- 2008 2.30%
- 2009 3.75%
- 2010 -0-
- 2011 -0-
- 2012 -0-
- 2013 8.90%
- 2014 -0-
- 2015 -0-

## Millage Rates



# Tax Rate Comparison

For every real estate tax dollar paid in York County...



Avg. School Taxes	20.51 mills
Avg. County Taxes	4.52 mills
Avg. Local Taxes	2.06 mills
Total	<hr/> 27.09 mills

Based on 2013/2014 municipal & school data

# 2015 Budget In summary...



# 2015 Budget Highlights

- **No tax increase for 2015**
  - Millage rate remains at 4.52 mills
  - Dedicated Library Tax remains at .1 mills
- **Total Consolidated Budget = \$487,220,627**
  - General Fund Budget = \$196,912,132
- **2015 budget requires \$3.3 million drawdown on \$17 million Unrestricted Fund Balance**
  - Rollover of 2003 Refunding \$2.7 million
  - Drawdown of reserve funds .6 million



# The County of York

## 2015 Budget