

2016 BUDGET – FINAL COMMENTS

December 23, 2015

The Final 2016 Budget has not changed materially from the Preliminary Budget that was presented to the Board of Commissioners of November 25, 2015. However, the General Fund reflects a slight increase and the 911 Proprietary Fund reflects a slight decrease from the earlier proposed budgets.

The General Fund revenues have decreased by an estimated \$300,000 due to a previously unaccounted for decrease in ARD fees and real estate tax collections are budgeted slightly lower to reflect the actual 2015 collection rate. At the same time budgeted expenses have increased approximately \$484,000 resulting in a net change in the General Fund of \$784,000. The increase in expenditures is due primarily to:

- 1.) A \$102,000 increase in projected costs in the Coroner's budget to transport decedents to the hospital and to Lehigh County for autopsies.
- 2.) An increase in the subsidy of Domestic Relations as a result of the state budget impasse. This will result in a \$350,000 increase in the subsidy in 2015 and a projected increase of \$215,000 in 2016.
- 3.) Information Services (\$103,000) and Parks (\$64,000) projects totaling \$167,000 that have been shifted from 2015 to 2016.

The 911 Proprietary Fund has decreased approximately \$17,500 as a result of new guidelines that allowed a reclassification of expenses previously identified as in-eligible for reimbursement to an eligible category.

As a result of these changes, an adjustment in the proposed tax rate from 5.07 to 5.16 mills or an increase of 14.2% over the 2015 rate is needed to balance the budget. This would result in an annual tax increase of approximately \$84.06 on the average residential property in York County which is assessed at \$131,345.

As mentioned during the preliminary budget presentation, this has been an extremely difficult budget year given the loss of revenues, increases in health care and pension costs, and the state budget impasse which has significantly impacted the County's cash flow. The 2016 budget and proposed tax increase does not reflect an increase to deal with the \$21 million in stranded debt for the 911 radio project or the additional \$7 million that will be needed to complete the project. The Board of Commissioners plan to meet with all departments over the coming year to review potential cost saving measures and process improvements in an attempt to avoid any additional increase in taxes associated with this project.

I'd like to once again thank Barb Bair, all of the department's and public officials for their hard work and assistance in putting this 2016 budget together. Without them, this process would be an impossible task.

The County's 2016 budget is available to the public via our website at www.yorkcountypa.gov or in the Commissioners' Office on the second floor of our building at 28 E. Market Street, York, PA.