



Lehigh County: Back to the Future

40 Years of Home Rule

2019 Budget Presentation



Budgetary Objectives

- This is a **fiscally responsible** budget that reflects the **pragmatic decisions** that must be made by County Leadership.
- It **prioritizes** the protection and security **of the most vulnerable among us: our seniors.**
- It makes **significant state-mandated investments** in our **elections**, ensuring integrity and quality at the polls.

Budgetary Objectives

- It demonstrates a continued **commitment to farmland preservation** in Lehigh County.
- It provides for necessary resources for the **renovation of Lehigh County Courthouse.**
- It represents **a long-term mindset** that prioritizes delivery of **quality services and promotes financial stability** to meet our five year fiscal plan.

What Do My Lehigh County Tax Dollars Pay For?

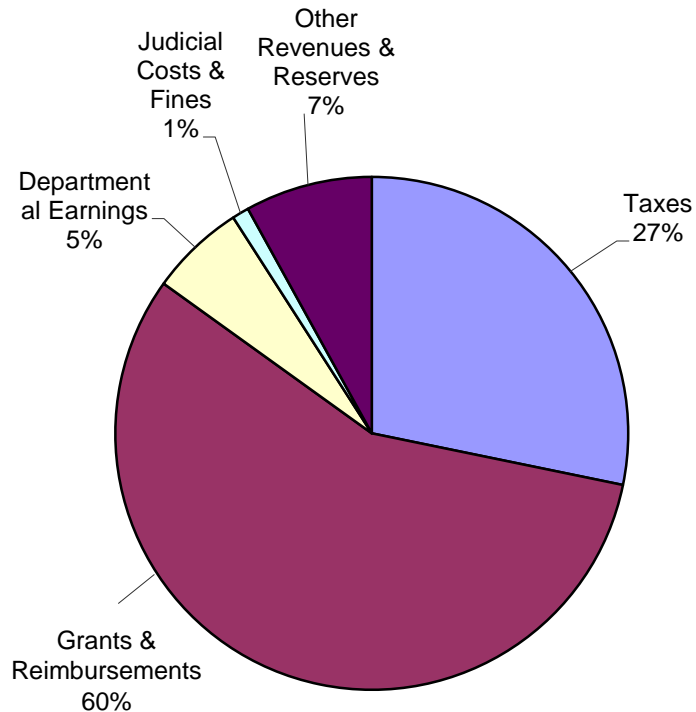
- **Law & Order:** Courts, Jail, District Attorney, Sheriff, Public Defender, Coroner
- **Cedarbrook Senior Care and Rehabilitation**
- **General Services:** County Infrastructure, Parks, Trails, Velodrome and Historic Sites, Coca-Cola Park, Trexler Nature Preserve, Emergency Management, 911 Center, Farmland Preservation Program

What Do My **Tax Dollars** Pay For?

- **Human Services:** Children and Youth, Aging and Adults Services, Crisis Intervention, Drug & Alcohol, Early Intervention, Mental Health, Intellectual Disabilities
- **Debt Service**
- **Lehigh County Veteran's Affairs**
- **Salaries and Benefits**
- **Voter Registration and Electoral Process**

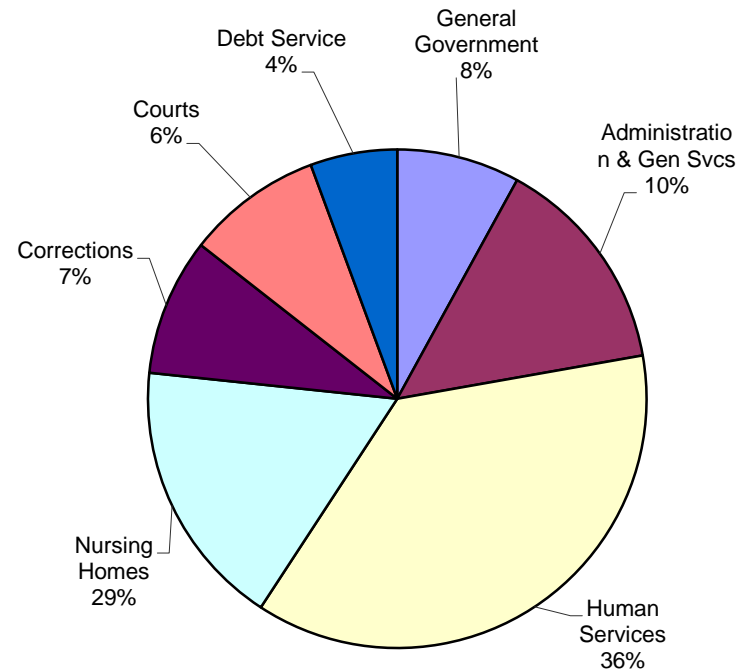
Lehigh County Tax Breakdown

**2019 Proposed Budget
Revenues**



Total Revenues: \$506,185,110

**2019 Proposed Budget
Expenditures**



Total Expenditures: \$506,185,110

Lehigh County Proposed 2019 Taxes in Context

	County <u>Taxes in Detail</u>	Cents / \$1 <u>Co. Taxes</u>			
Law & Order			Debt Service	15,007,334	12.98
Corrections	28,303,577	24.47	Quality of Life		
Courts	27,366,866	23.66	Voter's Registration	1,055,566	0.91
District Attorney	6,881,667	5.95	Parks & Trails	1,226,769	1.06
Sheriff	6,004,357	5.19	LANTA / Joint Planning	1,168,393	1.01
Public Defender	2,786,202	2.41	AG Extension	303,508	0.26
Coroner	2,550,081	2.20	Conservation / AG Land	308,812	0.27
Emergency Management	2,267,407	1.96	Community & Economic Dev.	436,695	0.38
911 Center	-	0.00	Coca Cola Park	97,001	0.08
	76,160,157	65.84	Veterans Affairs	401,572	0.35
				4,998,316	4.32
Other Elected Officials			Human Services	5,213,528	4.51
Controller	851,869	0.74	Capital Projects	7,705,543	6.66
Commissioners	566,075	0.49	Nursing Homes	3,054,972	2.64
County Executive	251,645	0.22	All Other Functions / Adjust	1,846,012	1.60
	1,669,589	1.45	Subtotal	115,655,451	100.00
			Stabilization Fund Transfer	(5,748,088)	
			Totals	109,907,363	100.00

Cedarbrook: Investing in Our Seniors

- Lehigh County is moving forward with the **\$68 million** for the new wing and renovations at Cedarbrook, South Whitehall.
- **Fulfills Executive campaign pledge** to maintain commitment to owning and operating a quality county facility that **provides outstanding care.**
- Cedarbrook: 670 beds, safety net for 560 persons.

Cedarbrook: Investing in Our Seniors

- Cedarbrook ratings: 5/5 stars on overall quality, 4/5 stars on overall staffing, 4/5 stars nurse staffing
- **Renovations necessary to build upon these successes.**

Voter Equipment: Investing in Our Elections

- **\$3.5 million** committed to **procuring new voting equipment**.
- County complying with **state-mandated direction** from Governor Wolf.
- Counties must replace voting equipment by 2020, ideally in place for 2019 General Election.

Voter Equipment: Investing in Our Elections

- Machines will leave a paper trail in addition to electronic storage.
- This change is a **critical security mechanism** against hacking, and **important for the integrity of our elections.**
- County committed to **ensuring every vote counts** and our elections are **fair, transparent and properly secured.**

Courthouse Renovations: Investing in Our Services

- We are **continuing renovations to the Historic courthouse**, the county has **allocated \$9 million** to the project, it began in 2018 and will continue through mid 2020.
- **\$4 million to renovate County Courthouse**, the state will make a reimbursement of **\$2.5 million over 20 years**.
- To improve **asset utilization**, Domestic Relations is being **relocated to the County Courthouse**.

Courthouse Renovations: Investing in Our Services

- Annual Benefits: **\$75,000 in rent savings** while creating **\$150,000** in revenue each year- a **\$225,000 benefit** that provides better security and improved operations
- **Upgrading the cooling system** for the 1964 county courthouse: **\$1.3 million**
- 2019 Capital Plan also includes **\$1.4 million for the court elevator system**, starting early 2019.

Farmland Preservation: Investing our Economy & Heritage

- **\$2 million** allocated towards farmland preservation.
- Lehigh County ranks **4th in farms** preserved and **5th in total acres** preserved in PA.
- Economic and Quality of Life benefits are immense.

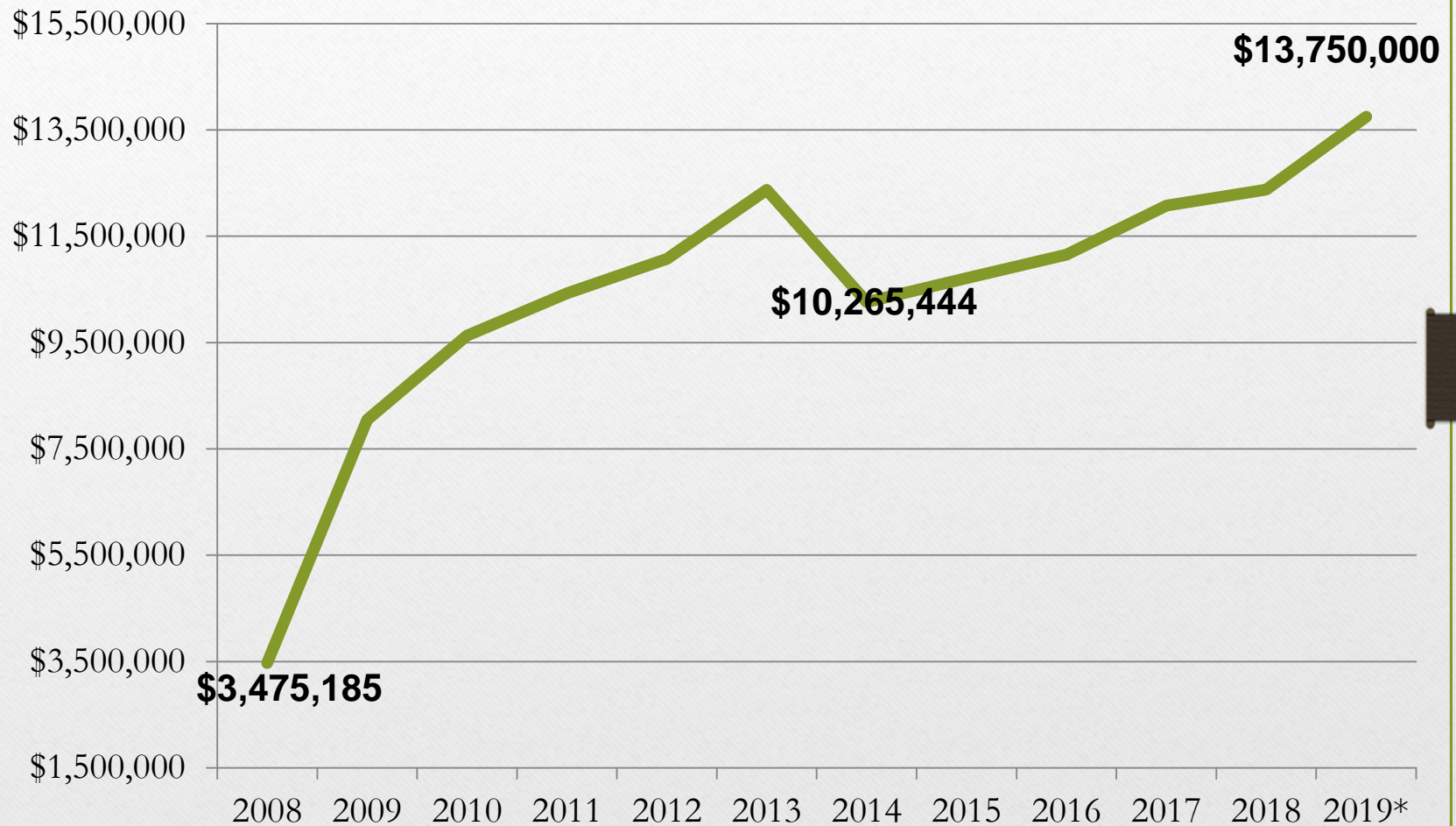
Farmland Preservation: Investing our Economy & Heritage

- **\$91 million in Gross Domestic Product (GDP).**
- **Limits growth of school related expenses- farms consume 36 cents in services – a typical suburban development \$1.30 in services.**
- **Open space contributes \$932.8 million to valley homes within 1/4 mile of preserved land.**

A Fiscally Sound County: Investing in Quality Services & Stability

- 2019 Budget contributes \$13.75 million to Employee Retirement Plan. The plan is **87.9%** funded.
- Employee growth number: **39** new employees added, mostly from 9-1-1 consolidation.
- Total Employees: **2,003**

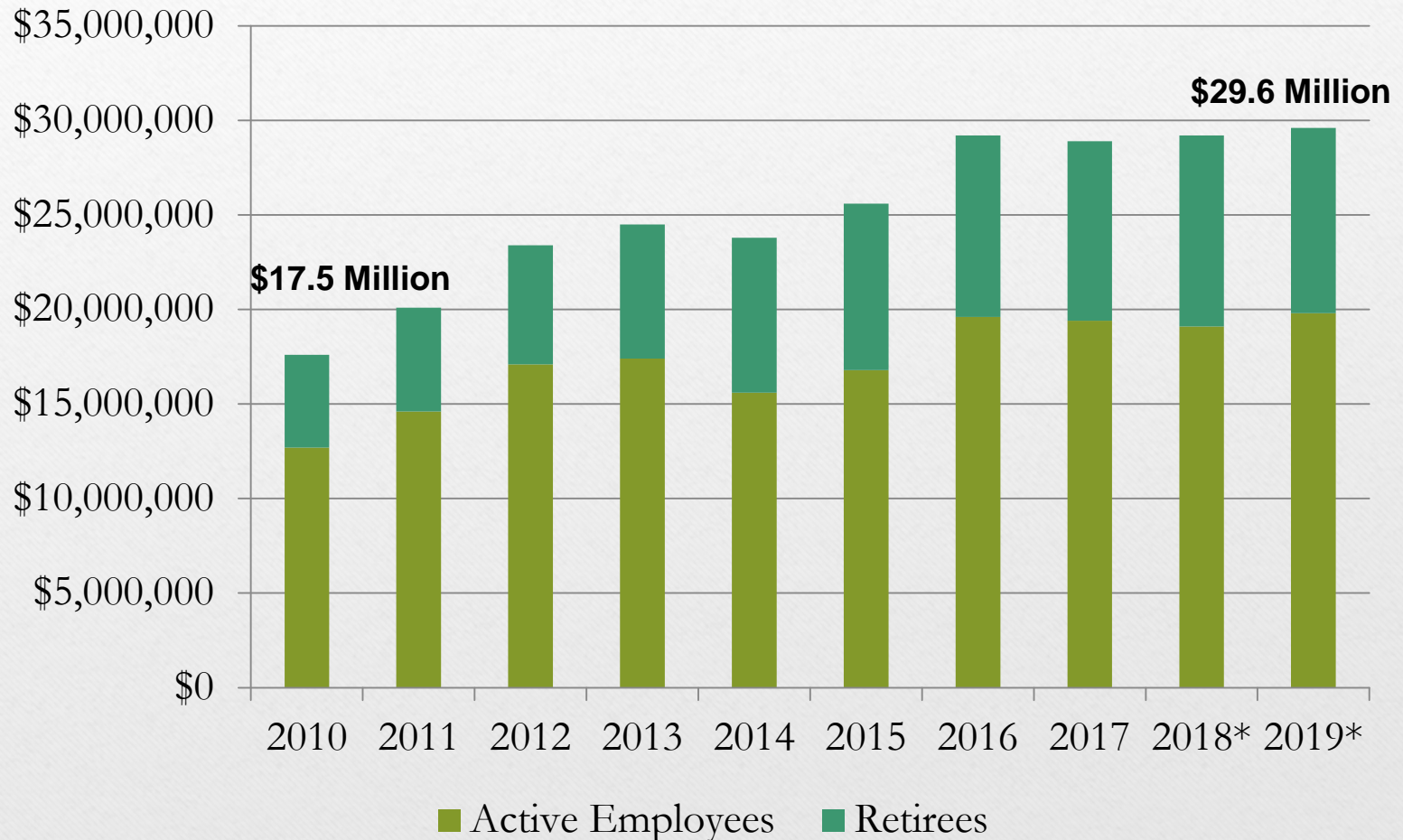
County Pension Fund Contribution (87.9% Funded)



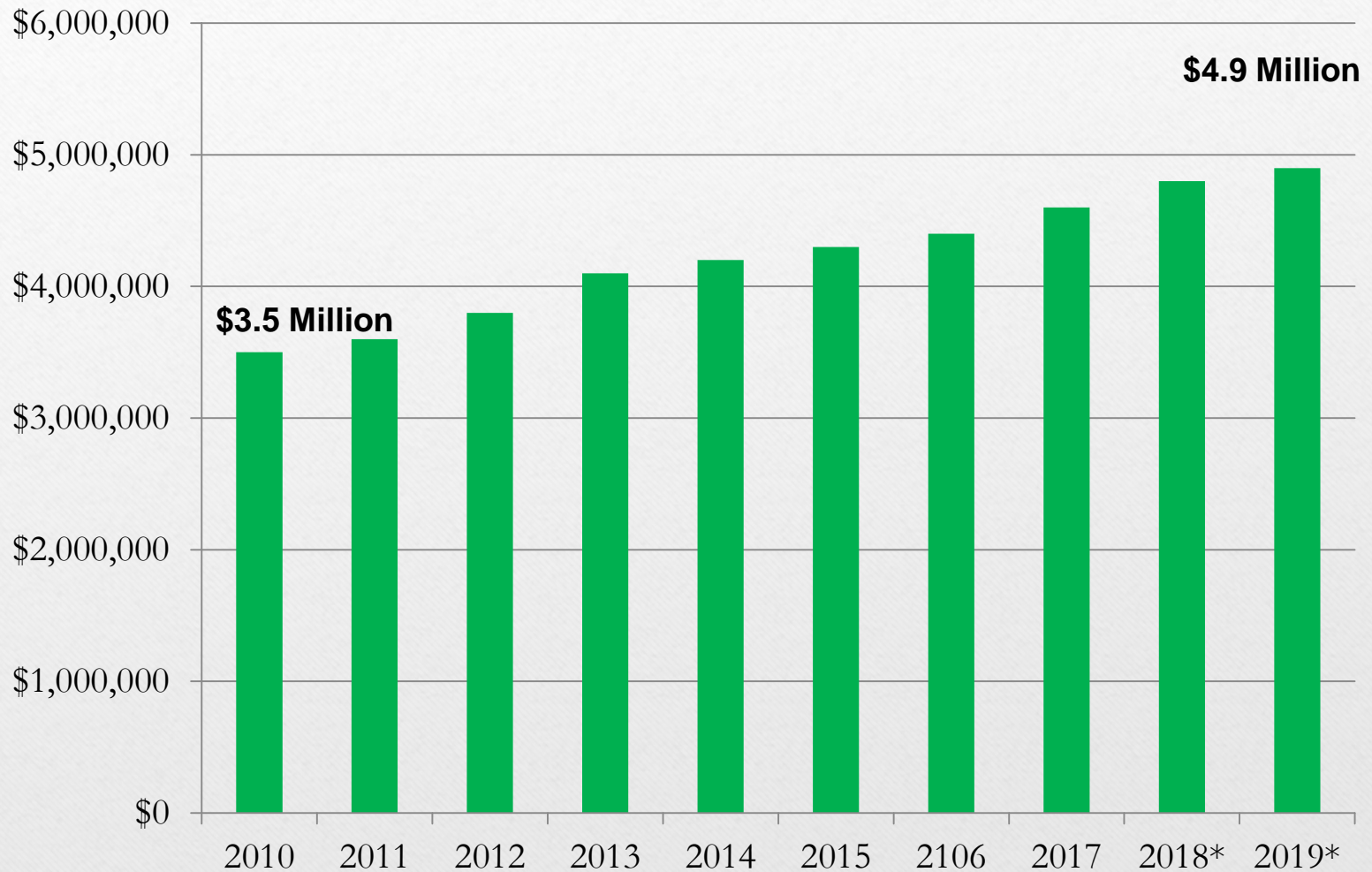
A Fiscally Sound County: Investing in Quality Services & Stability

- Majority of positions added were the result of **state-mandated 9-1-1 consolidation**. Lehigh County added **34** 9-1-1 positions.
- County Stabilization Fund Balance: \$19.6 million.
- County healthcare costs have remained steady.

County Paid Healthcare



Employee Healthcare Payroll Deductions



County Finances: Investing in Long-Term Stability

- Total County Budget: \$506,185,110.
- Total County Tax Dollars: \$112 million.
- County Millage Rate Return to **3.79**.

County Finances: Investing in Long-Term Stability

- Based on the median Lehigh County Property assessed at \$203,000 the proposed 2019 Lehigh County Property Tax would be \$769.37 per year.

Return to Previous Millage Rate Explained

- As an elected official I'm required to make **tough, pragmatic and responsible decisions.**
- **Good governance** isn't a popularity contest, it's about **delivering quality and vital services to our constituents.**
- **Why the return?**

Return to Previous Millage Rate Explained

- **County will fund projects with direct cash** from operating revenue as opposed to financing revenue.
- **\$7.7 million budgeted in capital expenditures for 2019.**

Return to Previous Millage Rate Explained

- State-mandated voting machine purchases.
- Reduced Revenue from Holding Fees at County Jail.
- Pension and Healthcare Costs
- Salaries and Wages

Benchmarking County Taxes

County	Median Home Value*	Median HH Income*	County Tax	Tax % of HH Income
Lehigh	\$203,000	\$54,645	\$769.37	1.41%
Northampton	\$218,100	\$59,551	\$1,286.79	2.16%
Berks	\$173,400	\$55,021	\$1,326.50	2.41%

* Median Home
Value, Income
Per US Census

Historical Millage Rates

2013: 3.79 County Reassessment Adjusted Rate Adjustment

2014: 3.79

2015: 3.75

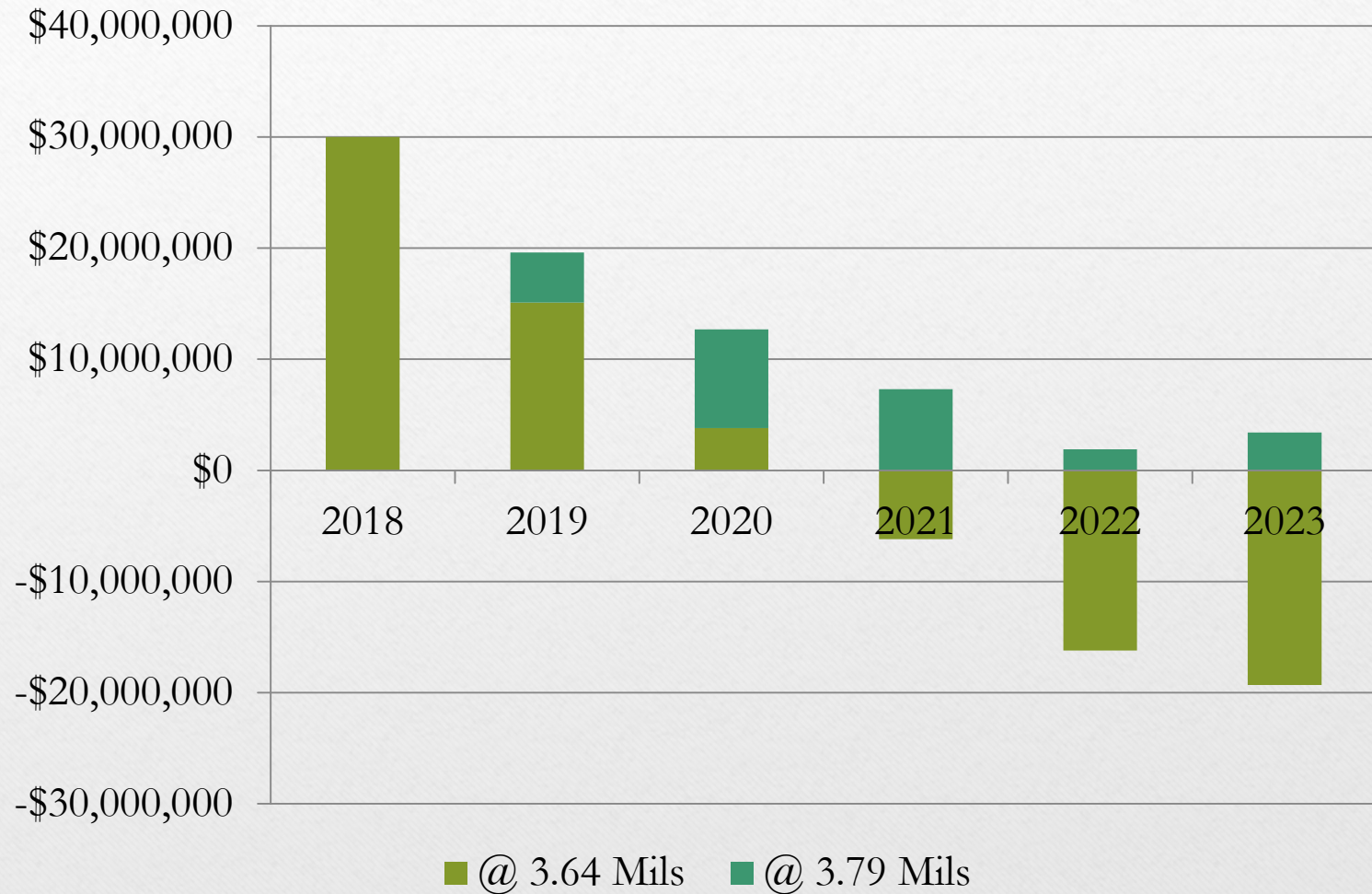
2016: 3.68

2017: 3.64

2018: 3.64

2019: 3.79

County – Ending Fund Balance



Q & A Session

- Copies of press release have been distributed.
- County Executive will now take any budget related questions.