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

- Grants & Reimbursements: 60%
- Taxes: 27%
- Judicial Costs & Fines: 1%
- Departmental Earnings: 5%
- Other Revenues & Reserves: 7%

Total Revenues: $506,185,110

2019 Proposed Budget Expenditures

- Human Services: 36%
- Nursing Homes: 29%
- Corrections: 7%
- Courts: 6%
- Debt Service: 4%
- Administration & Gen Svcs: 10%
- General Government: 8%

Total Expenditures: $506,185,110
# Lehigh County Proposed 2019 Taxes in Context

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Cents / $1</th>
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</thead>
<tbody>
<tr>
<td><strong>Law &amp; Order</strong></td>
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<tr>
<td>Taxes in Detail</td>
<td>76,160,157</td>
<td>65.84</td>
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<tr>
<td>County Cents / $1</td>
<td>1,669,589</td>
<td>1.45</td>
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<tr>
<td>County Co. Taxes</td>
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<tr>
<td>Corrections</td>
<td>28,303,577</td>
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<td>Courts</td>
<td>27,366,866</td>
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<td>District Attorney</td>
<td>6,881,667</td>
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<td>Sheriff</td>
<td>6,004,357</td>
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<tr>
<td>Public Defender</td>
<td>2,786,202</td>
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<tr>
<td>Coroner</td>
<td>2,550,081</td>
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<td>Emergency Management</td>
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<td>911 Center</td>
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<td><strong>Other Elected Officials</strong></td>
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<tr>
<td>Controller</td>
<td>851,869</td>
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<td>Commissioners</td>
<td>566,075</td>
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<td>County Executive</td>
<td>251,645</td>
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<td><strong>Total</strong></td>
<td>115,655,451</td>
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<tr>
<td>Stabilization Fund Transfer</td>
<td>(5,748,088)</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>109,907,363</td>
<td>100.00</td>
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</table>

- **Debt Service**: 15,007,334 (12.98)
- **Quality of Life**:
  - Voter's Registration: 1,055,566 (0.91)
  - Parks & Trails: 1,226,769 (1.06)
  - LANTA / Joint Planning: 1,168,393 (1.01)
  - AG Extension: 303,508 (0.26)
  - Conservation / AG Land: 308,812 (0.27)
  - Community & Economic Dev.: 436,695 (0.38)
  - Coca Cola Park: 97,001 (0.08)
  - Veterans Affairs: 401,572 (0.35)
  - Total: 4,998,316 (4.32)

- **Human Services**: 5,213,528 (4.51)
- **Capital Projects**: 7,705,543 (6.66)
- **Nursing Homes**: 3,054,972 (2.64)
- **All Other Functions / Adjust**: 1,846,012 (1.60)

**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 ¼ 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)

$3,475,185

$10,265,444

$13,750,000
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Active Employees</th>
<th>Retirees</th>
<th>Total Costs</th>
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<tr>
<td>2010</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
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<td>2011</td>
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<td>2012</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$15,000,000</td>
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<tr>
<td>2013</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$15,000,000</td>
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<tr>
<td>2014</td>
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<td>$10,000,000</td>
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<tr>
<td>2015</td>
<td>$5,000,000</td>
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<tr>
<td>2016</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
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<td>2017</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$15,000,000</td>
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<tr>
<td>2018*</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$15,000,000</td>
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<tr>
<td>2019*</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$15,000,000</td>
</tr>
</tbody>
</table>

Total Costs Over Time:
- 2010: $0
- 2011: $0
- 2012: $0
- 2013: $0
- 2014: $0
- 2015: $0
- 2016: $0
- 2017: $0
- 2018*: $29.6 Million
- 2019*: $29.6 Million

$17.5 Million in 2010

Active Employees and Retirees Costs Over Time.
Employee Healthcare Payroll Deductions

$0

$1,000,000

$2,000,000

$3,000,000

$4,000,000

$5,000,000

$6,000,000


$3.5 Million

$4.9 Million
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

<table>
<thead>
<tr>
<th>County</th>
<th>Median Home Value*</th>
<th>Median HH Income*</th>
<th>County Tax</th>
<th>Tax % of HH Income</th>
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</thead>
<tbody>
<tr>
<td>Lehigh</td>
<td>$203,000</td>
<td>$54,645</td>
<td>$769.37</td>
<td>1.41%</td>
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<tr>
<td>Northampton</td>
<td>$218,100</td>
<td>$59,551</td>
<td>$1,286.79</td>
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<tr>
<td>Berks</td>
<td>$173,400</td>
<td>$55,021</td>
<td>$1,326.50</td>
<td>2.41%</td>
</tr>
</tbody>
</table>

* 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

2018: $30,000,000
2019: $20,000,000
2020: $10,000,000
2021: $0
2022: $10,000,000
2023: $20,000,000

@ 3.64 Mils
@ 3.79 Mils
Q & A Session

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