



County of Lackawanna

Lackawanna County
Administration Building
200 Adams Avenue
Scranton, Pennsylvania
18503

Meeting Minutes

Board of Commissioners

Thursday, November 1, 2018

10:00 AM

Commissioner's Conference Room

Budget Hearing

Call to Order

Opportunity for the Public to Address the Board

2019 Tentative Budget Presentation

The County of Lackawanna's 2019 Budget Message

2018 Lackawanna County Budget-Funded Accomplishments

Calendar year 2018 can appropriately be described as a period of growth, preserving history, concern for the welfare of others, and technological advances.

All of those elements were accomplished via the policies undertaken by the Commissioners to safeguard, improve and enhance the area's quality of life and economy. All of the actions initiated were for the "common good," but all of them contained an eye towards fiscal responsibility.

Lackawanna County's ongoing stability can be attributed to the "cost containment" mode that the staff constantly operates under. The County continues to provide top-flight services, while doing more with less.

In order to provide the elements necessary to spur new programs and innovations, financial resources are necessary. To that end, the County, through Ordinance 254, borrowed \$15 million to upgrade its land records management software, improve several roads and bridges, purchase new equipment for its facilities, and buy a building to serve as a new Court Center. The Lackawanna County Government Center at The Globe continues to progress at a smooth pace with a target of the end-of-the-year/early 2019 occupancy. The sale of the current Administration Building to a private developer paves the way for it to be put back on the tax rolls and offer new retail, living quarters, food, and office opportunities.

Protecting our residents is of the utmost concern. To that end, significant upgrades were completed for the 911 Emergency Services Center along with the installation of a new CAD System to more accurately target locations for first responders.

Human Services continue to be a vital requirement for helping those in need. Many agreements have been approved to assist the elderly, youth and homeless and educate the public on the perils of opioid addiction.

Preserving the area's history, through the Arts & Culture Department's programs, serves as a link to our past. The monuments on Courthouse Square will be getting a facelift to restore their grandeur. Volunteers are working to rehabilitate Trolley Car 505, as a tribute to the strength of our past. The initial

County Heritage Fair will provide a new leisure outlet for local and out-of-town folks. Several grants continue to fund free arts, crafts and recreational programs for youth, the underprivileged and area organizations.

Debt Position

The County has been able to mitigate its annual expenditures for debt service by taking advantage of favorable interest rates. The savings from the refinancings of 2016 and 2017 allowed the County, without extending the maturity of any of the refinanced bonds, to maintain its annual debt service in a manageable range.

The County will continue to be diligent when seeking further opportunities to restructure its long term debt.

Financial Policies of Lackawanna County for 2019

In 2019, the Administration will continue to be conservative and demonstrate fiscal responsibility, restraint and management when addressing the County's financial challenges.

The Administration will continue its commitment to addressing the constant challenges facing County government on numerous fronts, especially in the area of its workforce. Personnel-related expenses (salaries, wages and health care) comprise 64.46 percent of the County's general fund budget, net of tax transfers out.

Important Features of the Budget

The 2019 general fund budget includes no property tax increase.

Many man-hours went into the preparation of the County's 2019 fiscal blueprint. Its goal is service to the 214,000 residents. The budget also reflects no cuts in programs or services that our communities and people rely on.

The budget also contains provisions for our parks, Human Services programs, Aging initiatives, environment, with spraying for gypsy moths and black flies along with monitoring for Zika and other viruses. We continue to meet the challenges of an ever-changing society by doing more with less in a fiscally responsible manner.

It is vital to secure public input on this financial plan. The budget hearings are the perfect venue for the public to provide the Commissioners with ideas that they can review and implement, where possible, to help cut expenses further and generate additional revenue.

The cost to run County government and its various programs is substantial. A prime example is the Prison. A great deal of revenue is expended for staff, programs, medical treatment, supplies and other ancillary services. This is part of our mission, and we will continue to do so as efficiently as possible.

Reasons for Major Financial Policy, Expenditure & Revenue Changes from 2018 Budget

Due to continued pressure from shrinking Federal and State funding, collectively bargained wage and benefit increases, and rising law enforcement costs, the County's 2019 budget will exceed the 2018 budget.

During 2018, the County was able to capitalize on a significant surplus in its debt service fund. Since the County depleted the debt service fund surplus, the County will need to transfer additional funds from the general fund to the debt service fund.

The Human Services area will continue to be a hallmark of the programs offered by the County government. In addition to Human Services, emergency response, the court system and other vital functions will comprise the majority of the County's 2019 expenditures.

Budget Overviews

The 2019 general fund budget totals \$126,607,429. The 2019 capital budget totals \$13,916,483. The 2019 debt service budget totals \$20,371,725. The 2019 special purpose funds budgets total \$48,440,489.

This Budget Message is respectfully submitted this 15th day of October 2018 pursuant to

Section 1.12-1203 of the Lackawanna County Home Rule Charter.

Opportunity for the Public to Address the Board

Commissioner Patrick O'Malley: we will be allocating \$500,000 for our pension; good budget, no tax increase. Doing much more with much less. "A" stable bond rating- all working together to make this happen. Always looking for alternative revenue services. Pension is in good shape, and we work hard to make sure that is possible, and we have some of the best people working on it. It's a tentative budget- it's not the final absolute.

Commissioner Laureen Cummings: tentative; why is everyone having a fit over the pension contribution? No one refused to disclose the amount; this is why people hate the media. Our finance department has worked hard on this. Everyone was involved in this budget, and greatly appreciate the departments work. Thank you to our CFO, and our finance workers. We will have another hearing to vote on the budget, and we have until January to re-open and change the budget.

Commissioner Jerry Notarianni- thanks to the finance department and speak with Tom Durkin daily, thank you to all involved.

Joan Hodawanitz, Scranton: pension contribution- \$500,000? What levels are the pensions currently funded? Looked at salaries, wages, benefits- FICA, Life Insurance, health insurance, and other entries called just insurance. Wage reimbursement. Health insurance percentages- added in overtime. Lawyer list; coroner office- high percentage. Need a reality check, on what we can afford to fund. Privatization of health insurance. Personnel costs- wiggle room. Costs going up, what taxpayers can afford. A lot of people can only make ends meet. Number of personnel isn't listed in the budget.

CFO Tom Durkin- law enforcement liability insurance; we have started to

identify insurance that is for a particular office, and their separate departments. Wage reimbursement- liquid fuels, we get money from the state for fuel tax- we pay all employees out of the payroll account. The liquid fuel fund then reimburses the general fund for the liquid fuel employees that we pay out of payroll. Employees of the county make contribution not subject to FICA, have to subtract employee contributions to gain the rate. Health insurance plan for the county, full time employees, depending on marital status and dependents, the charge varies between \$700-2700 per month. Part-time do not qualify for benefits. Coroner office- some staff in the lower 20's; District Judges get paid by the State, and the clerical staff of the judges get the benefits. Employees with single coverage, contribute \$60 a month; employees with family contribute \$120 a month. We have 7 unions, each union arbitrates or negotiates their contracts, about 800 county union employees, up to us to negotiate, it's very difficult to negotiate reasonable wage increases and reasonable health insurance contributions. I am always available to discuss this if you want to make an appointment.

Commissioner Laureen Cummings- want to look at and change that- the contribution from the employees, for health insurance.

Commissioner Patrick O'Malley- arbitrations concerns- health care is costly. Negotiation of contracts, we have tried to make all the health payments the same.

Rick Jones, Dunmore- county employees aren't paid like the prior sector, prior to 11 years ago, I paid more for my health care but was paid much more. Example- a CFO of a business with 1200 employees would be getting paid 3 times what Tom Durkin is being paid today. We have controlled costs in insurance and claims area.

Commissioners' Other Business

Commissioner Patrick O'Malley- we made a decision 3 years ago to never do political firings; all other administrations have had the political firings- saved us hundreds of thousands of dollars. Why would you fire someone who knows what they are doing- we have good employees- you will only get fired if you don't 100% do your job- and there are steps and procedures to do that. The people here working and doing their job stay here and contribute to society.

Commissioner Laureen Cummings- health insurance- agree 100% and the reason I have voted no on every dingle union contract. Spoken to CFO- I absolutely want to change the health insurance premiums. I think every contract should go to arbitration- last one was quite favorable; current federal admin, we see a decrease in health costs. Times- article- county charges too much to tax payers; I have been saying that for years-but when I said it, they said I was a bigot, because I wanted to end the arts tax, and give that mil back to the people; I proposed to cut taxes, and everyone makes sure they don't go above their budgets, and all try to cut as much as they can. I want a tax cut after we move to the globe; I know what I have proposed, I know Comm. O'Malley has some great ideas. Glad we had the included rents in the budget next year, so we have a cushion; looking to save on utilities too- consolidation of equipment. Staff in the controller office, working on prison savings. Would like to thank Comm. O'Malley on his ideas, you will see them in the future, we are constantly looking to see where we are going in the future. I would love for

Comm. Notarianni to come back to the table, we all have a voice here, and working towards the future of the county. I believe all three of us are fiscally responsible. —comment on Comm. O'Malley prison abuse case—

Commissioner Jerry Notarianni- tentative budget- speak with all the department heads, and will continue to do that; would like to change a few things, have spoken about it often, and to thank everybody involved.
-a lot of guards have been accused by inmates.

Commissioner Patrick O'Malley-my sister was murdered by her partner; and I was just being thrown on the fire, with no evidence whatsoever, the carnage that I dealt with at 12 when my sister was murdered, lies and untruths.
We have a very good budget-and budget meetings. We work very well with all of our departments.

Adjournment