



LUZERNE COUNTY
COUNTY MANAGER
C. DAVID PEDRI, ESQUIRE

County of LUZERNE
P E N N S Y L V A N I A
E S T A B L I S H E D 1 7 8 6

FY 2018 PROPOSED BUDGET MESSAGE

Submitted to Luzerne County Council on October 10, 2017

To the Honorable, the Members of the Luzerne County Council:

Attached, please find the *County Manager's Proposed FY 2018 Budget*. I am pleased to present to Council a fiscally responsible balanced budget that continues the economic progress seen over the past few years in the County. The FY 2018 Budget as proposed will bring Luzerne County closer to its long term financial goals while addressing the present day needs and expectations of our citizens.

Debt management and debt reduction remain overriding objectives throughout each year. This year's budget process is no exception. Currently, Luzerne County is facing a principal debt of \$221.6 million. The immediate effects of this debt on the yearly budget is evident with 18.8 % of our General Fund going towards debt service. In the face of the large overriding debt payment, County Management understands the need to scrutinize every dollar spent by the County to ensure efficient and responsible government operations. I strongly believe this Proposed Budget contributes to that goal.

The Proposed Budget before you proposes a 2 percent increase in property tax which results in a millage increase from 5.9754 mills to 6.0949 mills. This millage change would result in an approximate increase of \$1 per month for each residential or commercial property assessed at \$100,000.

It should be specifically noted that Domestic Relations was previously budgeted in a non-general fund account. This was moved by previous County Administration. Upon review and consult with Domestic Relations, this department was moved back to the general fund for greater transparency. This move has no impact on the balancing of the budget as the same amount is set for revenue as it is set for expenses in the general fund.

General Fund revenue in the FY 2018 Proposed Budget is expected to be \$141.1 Million, which is approximately \$6.3 Million more than the 2017 projected actuals. This proposed revenue increase is primarily made up of \$3.5 Million from Domestic Relations, \$2.1 Million for a FY 2018 Tax Increase and \$700,000 in additional Human Services Division reimbursement for shared personnel. It is important to note that the Proposed Budget does not rely on any unpredictable one-time revenue sources in order to balance.

The FY2018 Proposed Budget also contains \$141.1 million in General Fund appropriations. This amount is an approximate \$6.3 Million increase in expenditures compared to FY2017. The increase in expenditures can be directly attributed to \$3.5 Million in Domestic Relations, \$1 Million in increased pension costs, \$700,000 due to higher health care costs, \$600,000 in mandatory union raises and merit based increases, and \$500,000 for the creation of 16 new and necessary positions.

FY 2018 will be a year of continued progress. This Proposed Budget is the first step toward a successful year. I look forward to working with each one of you toward a financially successful 2018.

Sincerely,



C. DAVID PEDRI, ESQ.

County Manager