

LONG RANGE FINANCIAL PLAN AND FISCAL POLICY

Submitted to County Council – June 1, 2017

Luzerne County looks to turn the corner on the troubles of the past and head into a time of prosperity. The path to prosperity begins with fiscal responsibility and stability.

Luzerne County's revenue stream continues to be highly dependent on property taxes and will continue to be so for the near future. With that understanding, the County looks to maximize tax revenue by ensuring accurate and fair assessment values. In 2017, the County implemented the Pictometry Change Finder Project. The County will also continue to pursue all alternative revenue sources, such as Payments In Lieu of Taxes and Commonwealth and Federal contributions.

Debt Service remains a heavy expenditure weighing down our yearly budget. In 2017, the County paid \$26,340,133.00 amount towards debt service, accounting for 19.5% of the County's expenditures. The County continues to chip away at the debt with the projected 2027 payoff on the horizon. Nonetheless, a decade of large debt service expenditures make every County financial decision that much more important.

One roadmap to financial stability is PFM's 5-year Financial Plan. Luzerne County takes the recommendations of the 5 year Financial Plan seriously. As highlighted in the 2017 State of the County, the County has already addressed many of the Plan's recommendations and will continue to achieve the rest. The County is steadfast on taking the steps necessary to re-secure an Investment-Grade Bond Rating.

Our 2018-2020 Capital Plan reflects the tightening financial resources for capital projects. In the absence of new funding, the County must scrutinize and prioritize every project in the Plan. The current Capital Plan focuses on safety projects, County modernization, and projects that maximize the functionality and value of County assets.

Looking ahead, the County's fiscal outlook is on the right trajectory. Each budget cycle brings with it new challenges to efficiently and effectively provide the services that our citizens deserve. The next few years will be no different. The County will work towards our goal of fiscal responsibility through the tightening of operations, close examination of all expenditures, and effective management of County resources.

Luzerne County Capital Projects Annual Bond Summary

June 1, 2017

Description	Cost	194 Fund Balance	Comments
194 Bond Fund Balance as of 12/31/2013		\$ 18,956,563	
194 Bond Fund Balance as of 12/31/2014		\$ 12,850,221	
194 Bond Fund Balance as of 12/31/2015		\$ 15,435,504	The increase was due to a repayment of the bond fund from the 2011 flood event. Proceeds were deposited in General Fund while expenses were paid out of bond.
194 Bond Fund Balance as of 12/31/2016		\$ 11,040,548	The D.A. Nolt settlement of \$475,000 is included in this total. It also has the associated legal costs totaling \$89,305 included.
194 Bond Fund Balance as of 5/31/2017		\$ 9,520,316	
Capital Projects Bond Balance Summary			
		\$ 9,520,316	
2015 Capital Projects - Fund Balance	\$ (100,000)	\$ 9,420,316	Funds required to complete approved 2015 Capital Projects
2015 Funds Available	\$ 60,000	\$ 9,480,316	Funds available through completed projects and other reasons. See project comments.
2016 Capital Projects - Approved Budget	\$ (3,248,401)	\$ 6,231,915	Budget for approved 2016 Capital Projects
2016 Funds Available	\$ 2,346,472	\$ 8,578,387	Funds available through completed projects and other reasons. See project comments.
2017 Capital Projects - Approved Budget	\$ (6,300,600)	\$ 2,277,787	Budget for approved 2017 Capital Projects
2017 Funds Available	\$ 2,589,600	\$ 4,867,387	Funds available through completed projects and other reasons. See project comments.
		\$ 4,867,387	
Proposed 2018 Capital Projects	\$ (3,604,500)	\$ 1,262,887	
Balance of available 194 Bond Fund		\$ 1,262,887	

LUZERNE COUNTY CAPITAL PROJECT

Proposed 2018-2020 Capital Projects to be funded by 194 Bond Fund						
No.	Project Code	Description	Estimated Cost	Funding Code	Comments	Project Manager
1	100.62	Tannery Street Pole Building	\$84,500	194	This project is the purchase and installation of a 60' x 128' Pole Building with six (6) 12' x 12' overhead doors located at the Tanney Street site. The proposed building would have a concrete floor and lighting. A zoning variance is required. The total project estimated cost is \$130,000. EMA will provide funds for 35% of the project.	McIntosh
2	100.63	Voter Machine Building Improvements	\$250,000	194	This project includes the re-pointing of brick and masonry, repair of the parapet, patching and reattachment repairs to areas of the roof membrane and skylight removal.	Plesh
3	100.64	Penn Place Building Roof Replacement	\$600,000	194	This project includes the repair of the roof edging system and a complete re-roofing of the Penn Place Building.	O'Neill
4	100.65	Courthouse Annex Improvements	\$50,000	194	This project includes interior wall painting, carpet replacement, service counter replacement and exterior window resealing.	O'Neill
5	100.66	Courthouse West Entrance Improvements	\$50,000	194	This project consists of the reconfiguration of the West Entrance to the Courthouse which will improve security screening and congestion. The project also involves the required relocations of the Sheriff's Civil Division, GIS/Mapping Department, Accounts Payable office and other items.	O'Neill
6	500.04	Courthouse Interior Restoration Phase I - Priority 2	\$1,100,000	194	This project involves all remaining Priority 1 items not completed in Phase I restoration and all Priority 2 items. Restoration items include the following: repair of unstable plaster at oculus ornament, upper panel frames, upper beams, and around figurative panels; restore painting scheme; conserve dome artwork at upper panels; conserve 4 pendentive murals; marble cleaning; and all other restoration which requires the rotunda scaffolding.	O'Neill
7	2300.05	Public Access Area at Records Storage Building	\$500,000	194	This project consists of all finish work required to provide a public access area separated from the records storage area. This space will be used for the public to access county files.	Plesh
8	2300.06	Records Storage Building Lighting and Floor Improvements	\$200,000	194	This project involves the replacement of all existing warehouse lighting with new LED fixtures along with a new switch layout. The resurfacing of the warehouse floor is also included with this project.	Plesh
9	2400.10	LCCF Elevator No. 2 Repair	\$70,000	194	This project includes the following repairs and improvements to Elevator No. 2 at the LCCF Main Prison: elevator door operator upgrade, infrared door detector, complete car top inspection station, car top repair, new car door and hoist way door, hatch door pick up rollers and locks, install new enforcer door gibbs, install new car roller guides and install new counter weight roller guides.	Plesh
10	2400.11	LCCF Security Improvements	\$600,000	194	This project is a combination of approved 2016 projects (2400.04, 2400.05, and 2400.06). These projects were put out for bid which yielded costs higher than the approved budget. It was decided to combine the projects for cost saving reasons. The project involves the addition of Dayroom Doors on several floors to meet current code requirements and new security doors at several cell blocks to provide officer safety and additional security at the LCCF Main Prison Facility. This project must be done in conjunction with the Control Panel Replacement Project (2400.12).	Plesh
11	2400.12	LCCF Control Panel Replacement	\$100,000	194	This project was previously approved in 2016. Since the other associated projects could not be complete, this project was put on hold. The project consists of the replacement of the current control panels which operate the security doors and sliding doors at the LCCF Main Prison Facility. It was decided to separate this project from the rest due to the complexity of the existing control panels.	Plesh
		Total Estimated Cost:	\$3,604,500			

LUZERNE COUNTY 194 BOND FUNDED PROJECTS

No	Project #	Adopted for Year	Status	Project Description	Approved Budget	Actual Cost	Funds Used	Balance Due	Budgeted Funds Available	Comments
1	100.41	2013	Complete	County Building Emergency Fund	\$100,266	\$100,266	\$100,266	\$0		
2	100.54	2013	Complete	Council Meeting Room and Office Uplift	\$26,565	\$26,565	\$26,565	\$0		
3	300.01	2013	Complete	Courthouse Exterior Renovation - Design	\$205,491	\$205,491	\$205,491	\$0		
4	300.03	2013	Complete	Courthouse Exterior Renovation - Construction	\$5,630,312	\$5,630,312	\$5,630,312	\$0		
5	300.04	2013	Complete	Courthouse Exterior Renovation - Membrane Roof Replacement	\$96,510	\$96,510	\$96,510	\$0		
6	600.01	2013	Complete	Valmar Building Demolition	\$50,000	\$50,000	\$50,000	\$0		
7	700.07	2013	Complete	County Road 21 Paving Project	\$149,358	\$149,358	\$149,358	\$0		
8	800.11	2013	Complete	Data Center Virtualization	\$370,000	\$370,000	\$370,000	\$0		
9	1000.10	2013	Complete	Moon Lake Capital Improvement	\$438,851	\$438,851	\$438,851	\$0		
10	1200.05	2013	Complete	WB/WV Airport Taxiway/Apron	\$40,317	\$40,317	\$40,317	\$0		
11	1900.04	2013	Complete	Courthouse Air Handler Renovation and Cleaning	\$40,317	\$40,317	\$40,317	\$0		
12	2200.16	2013	Complete	County Bridge 16405 Rehab Project	\$15,900	\$15,900	\$15,900	\$0		
13	2500.304	2013	Complete	DRO Building Flood Damage Repair	\$191,819	\$191,819	\$191,819	\$0		
14	2500.305	2013	Complete	Parkade Flood Damage Repair	\$82,000	\$82,000	\$82,000	\$0		
15	2500.307	2013	Complete	Army Corp Building Flood Damage Repair	\$35,832	\$35,832	\$35,832	\$0		
16	2600.03	2014	Complete	New World Software	\$412,400	\$412,400	\$412,400	\$0		
17	1800.01	2014	Complete	Capital Grant for CEO Distribution Warehouse	\$500,000	\$500,000	\$500,000	\$0		
18	100.00	2015	Complete	Courthouse Chiller	\$532,340	\$532,340	\$532,340	\$0		
19	100.11	2015	Complete	Road & Bridge Gas Tank Monitor, Pump, Card Reader	\$100,000	\$73,140	\$73,140	\$0	\$26,860	
20	100.17	2015	Complete	Wilkes Barre / Wyoming Airport Terminal Roof Coping and Masonry Restoration	\$50,000	\$50,000	\$50,000	\$0	\$0	
21	100.52	2015	Complete	Prison Roofs (Main Facility)	\$150,000	\$148,188	\$148,188	\$0	\$1,812	
22	400.01	2015	Complete	Courthouse Elevator Renovations	\$550,000	\$592,099	\$592,099	\$0	-\$42,099	
23	100.10	2015	In Progress	Abatement of Youth Detention Center	\$160,000	\$100,000	\$0	\$100,000	\$60,000	This project cost is for the asbestos abatement of the buildings. Sargent is the selected contractor.
24	600.03	2016	Complete	Broad St Business Exchange Elevator Rehabilitation	\$230,000	\$230,000	\$230,000	\$0	\$0	

LUZERNE COUNTY 194 BOND FUNDED PROJECTS

No	Project #	Adopted for Year	Status	Project Description	Approved Budget	Actual Cost	Funds Used	Balance Due	Budgeted Funds Available	Comments
25	100.57	2016	In Progress	County Building Emergency Fund	\$60,000	\$60,000	\$39,835	\$20,165	\$0	Funds were used at Penn Place and LCCF. Remaining funds to be used for Records Storage Building.
26	200.01	2016	In Progress	Courthouse Rear Lot Reconstruction	\$600,000	\$600,000	\$426,422	\$173,578	\$0	This project is currently in the close out phase.
27	200.02	2016	In Progress	Courthouse Life Safety	\$500,000	\$500,000	\$495,154	\$4,846	\$0	This project is currently in the close out phase.
28	500.02	2016	In Progress	Interior Dome Plaster and Gilding Repair	\$170,000	\$170,000	\$32,000	\$138,000	\$0	This project cost will be used in full once the project is complete.
29	800.01	2016	Complete	Document Imaging and Retrieval System	\$193,000	\$131,518	\$73,992	\$57,526	\$61,482	This project cost will be used in full once the project is complete.
30	800.05	2016	In Progress	GIS System Upgrade	\$113,000	\$113,000	\$110,250	\$2,750	\$0	The funds will be used in full by July 2017.
31	800.06	2016	In Progress	VOIP	\$1,100,000	\$1,085,913	\$1,085,913	\$0	\$14,087	2017 Project 800.17 Wilkes-Barre Campus WiFi has been added to this project.
32	800.09	2016	Complete	Documentation Retention/ Digitalization GIS	\$50,000	\$45,018	\$45,018	\$0	\$4,982	This project is complete.
33	800.15	2016	Complete	Countywide Server Virtualization	\$532,000	\$512,921	\$512,921	\$0	\$19,079	This project is complete.
34	800.16	2016	Complete	Countywide Server Virtualization Phase II and Internet Firewall Upgrade	\$700,000	\$685,717	\$685,717	\$0	\$14,283	This project is complete.
35	1900.03	2016	In Progress	Fire Alarm Systems - Update all panels in County facilities to include all components	\$175,000	\$175,000	\$122,896	\$52,104	\$0	The project cost will be used in full once the project is complete.
36	1900.04	2016	In Progress	Security System Upgrades and Repairs	\$100,000	\$100,000	\$94,042	\$5,958	\$0	The project cost will be used in full once the project is complete.
37	2300.01	2016	In Progress	Purchase and Renovation of Records Storage Facility	\$1,450,000	\$1,450,000	\$1,272,808	\$177,192	\$0	The project cost will be used in full. Approved change orders and contract retainage payments are remaining.
38	2400.01	2016	In Progress	LCCF Shower Renovations	\$540,000	\$540,000	\$14,000	\$526,000	\$0	The bid prices exceeded the budget amount. The project will need to have the scope revised prior to re-bidding.
39	2400.02	2016	Complete	LCCF Security Camera Upgrades	\$325,000	\$325,000	\$325,000	\$0	\$0	This project is complete.
40	2400.07	2016	Complete	LCCF Control Replacement of two transport vans	\$100,000	\$110,191	\$110,191	\$0	-\$10,191	Purchase of two new vans. Remaining funds were used to repair Main Prison Chiller.
41	700.29	2016	On Hold	CB #24003 Solomon Creek WB/Hanover (Division Street Bridge)	\$1,000,000	\$0	\$0	\$1,000,000	\$1,000,000	This project is on hold waiting an equal match of funds from the City of Wilkes-Barre. The funds will be placed back into the Capital Projects Reserve Fund.
42	1900.02	2016	On Hold	Electrical Room Switchgear Renovation	\$500,000	\$0	\$0	\$500,000	\$500,000	This project will be covered under the Energy Savings Performance Contract (100.09) if it is passed. The funds will be placed back into the Capital Projects Reserve Fund.
43	2400.03	2016	Complete	LCCF Trailer Replacement	\$325,000	\$16,000	\$16,000	\$0	\$309,000	Condition of trailer has changed the scope of the project. Funds will be used to demo site.
44	2400.04	2016	To Be Removed	LCCF Door Replacements	\$120,000	\$0	\$3,000	\$117,000	\$117,000	Project to be combined with other LCCF projects for cost savings and placed on the 2018 Capital Project List.
45	2400.05	2016	To Be Removed	LCCF Dayroom door additions	\$120,000	\$0	\$3,000	\$117,000	\$117,000	Project to be combined with other LCCF projects for cost savings and placed on the 2018 Capital Project List.
46	2400.06	2016	To Be Removed	LCCF Slider Replacements	\$110,000	\$0	\$2,750	\$107,250	\$107,250	Project to be combined with other LCCF projects for cost savings and placed on the 2018 Capital Project List.
47	2400.08	2016	To Be Removed	LCCF Control Panel Replacements	\$95,000	\$0	\$2,500	\$92,500	\$92,500	Project to be combined with other LCCF projects for cost savings and placed on the 2018 Capital Project List.
48	2400.09	2016	In Progress	LCCF Add security to Lobby Area	\$75,000		\$2,200	\$72,800		Bids for the project were received. Once the contract documents are signed, the project will proceed.
Column Total:					\$19,211,278	\$16,731,983	\$15,487,314	\$3,264,669	\$2,393,045	

LUZERNE COUNTY CAPITAL PROJECT

Non 194 Bond Capital Projects									
No.	Project Code	Description	Project Cost	Funds Used	Funds Remaining	Funding Code	Status	Comments	Project Manager
1	100.03	Energy Savings Performance Contract (ESPC)	\$7,000,000			Self Funded	Pending	This project is self funded. The projected energy savings is used to upgrade the building systems throughout the county. The System Survey is complete. If approved by Council, replacement/construction phase should begin by Fall 2017. Estimated 20 year Energy and Operational Savings is \$8.1 million	O'Neill
2	100.13	Replace Interstitial Fuel Line Wilkes Barre / Wyoming Airport	\$100,000		\$100,000	350	On Hold	Planned replacement of old line. Since the project is not specific to the airway, FAA typically will not participate. Airport funds being used. Project will be completed with Fuel Tank Replacement Project.	Parrs
3	100.16	Wilkes Barre / Wyoming Airport Taxiway B Runway Rehabilitation	\$1,524,713		\$1,524,713	350	Construction	Penn DOT Bureau of Aviation is providing 95% of the funding. The 5% local match of \$76,236 will come from the 350 Fund. Leewood Construction has been awarded the contract and construction will begin once funded has been received.	Parrs
4	100.56	911 Roof	\$150,000	\$150,000	\$0	220	Complete	This project involves the re-roofing of the 911 Building. The project is complete.	Plesh
5	700.08	CR #49 New Commerce (New Commerce Blvd.) Hanover Industrial Park	\$275,000	\$275,000	\$0	200	Complete	2016 construction Contractor is American Asphalt. PennDot match funded project. Construction was completed in 2016.	Plesh
6	700.11	CB #54713 Saams Road, Little Nescopeck	\$100,000	\$100,000	\$0	201	Complete	Contact signed. County to provide all materials; Butler Township to address installation. Project was complete by end of July 2016.	Plesh
7	700.23	CR #13 Chase Road (Hillside-Chase) Jackson Township	\$240,000		\$240,000	201	Permitting	Repair/Replace existing pavement. Total project cost \$1,200,000 - County share, \$240,000, from Liquid Fuels monies, remaining \$960,000 from FHWA and PennDOT. Environmental Scoping completed in January 2016. Right-of-Way acquisitions are currently being completed. PennDOT approval still needed prior to bidding.	Plesh
8	700.24	CB #17405 Union, Shickshinny	\$350,000		\$350,000	201	Design	Structurally Deficient Bridge Replacement: Stone Arch Culvert. Temporary pipes are in place to keep road open. Hydraulic analysis and permitting has been completed. Construction to begin in Summer 2017.	Parrs
9	700.26	CB #26113 & CB #26112 Jackson Township	\$554,111	\$498,700	\$55,411	201	Construction	Structurally Deficient Bridge Replacements - Two Stone Arch Culverts on CR # 13 to be replaced. Project was awarded to Fehlinger Constructioin Group. Final punch list items remain.	Parrs
10	700.27	CB #15303 Brish, Fairmont	\$350,000		\$350,000	201	Construction	Structurally Deficient Bridge Replacement: Concrete slab culvert. Project has been awarded to Sikora Bros, Inc.. Construction to begin in Fall 2017.	Parrs
11	700.29	CB #24003 Solomon Creek WB/Hanover (Division Street Bridge)	\$1,000,000		\$1,000,000	205	On Hold	Project involves the installation of a new bridge. City of Wilkes-Barre to provide the other half of the funding to complete the project.	Parrs
12	700.30	Reserve for Small Bridge Failures	\$75,000		\$75,000	201	As-needed	Emergency funds to replace small bridges, as needed, throughout the county. Acts 13 and 44 are funding sources.	Parrs
13	700.31	Multi Bridge Fascia Project, 4 bridges	\$250,000		\$250,000	201	Construction	This project involves the removal of the barrier construction joint and roadway surface membrane installation at 5 bridge sites. The project was assigned to BIA and awarded to Multiscape, Inc. Construction g began in Fall 2016. One bridge required a beam replacement and should be complete by the end of July 2017.	Plesh
14	700.32	Main Street Bridge Maintenance, Nanticoke	\$300,000		\$300,000	Other	On Hold	The a section of the bridge is in need of replacement. The project will be placed on the PennDOT list for funding approval.	Parrs
15	700.33	Water Street Bridge Maintenance, Pittston	\$300,000		\$300,000	Other	To Be Removed	PennDOT has decided to construct a new structure in the same area which will eliminate the need for this structure. To be demolished as part of the project.	Plesh
16	700.34	CB# 54706 T356 over Nescopeck, Butler Twp	\$750,000		\$750,000	Other	On Hold	Project on hold pending funding	Plesh
17	700.35	CB# 57312 T342 over Nescopeck, Sugarloaf Twp	\$750,000		\$750,000	Other	On Hold	Project on hold pending funding	Plesh
18	700.36	CB# 26305 T783 over Tobys, Kingston Twp	\$300,000		\$300,000	Other	On Hold	Project on hold pending funding	Plesh
19	700.37	Phase II CR#19 Tunnel Road Wright and Dennison Twp.	\$360,000		\$360,000	200	Design	The project consists of Full Depth Reclamation (FDR) of one mile of roadway. Project was delayed in order to add other roads to project. Core boring for analysis were taken in early Spring 2017. Project to be under construction in late Summer 2017.	Plesh
20	700.38	CB# 36902 Blytheburn Road, Rice Township	\$315,000		\$315,000	201	Design	The project consists of a superstructure replacement and substructure rehabilitation.	Plesh
21	700.39	Three Truss Bridge Rehabilitations	\$1,018,946		\$1,018,946	205	Design	The project involves the rehabilitation of three truss bridges.	Plesh
22	2200.16	CB #16405 Sorber Mountain Road over Beaver Run, Lake Township.	\$200,000	\$200,000	\$0	Other	Complete	Culvert Replacement Project - The project was completed in 2016.	Plesh
		Column Totals	\$10,293,824	\$1,023,700	\$2,270,124				
		200 Fund - Liquid Fuels							
		201 Fund - Act 44							
		205 Fund - Act 13							
		220 Fund - 911 Construction							
		350 Fund - Wyoming Valley Airport							
		Other Funding							