

2018 Lebanon County Budget Summary

\$76,486,970

3.2925 mills

Overall, the County Budget is increasing by \$1,947,385 or 2.6% for 2018.

Separately, the General Fund expenses are increasing by 1.47% to \$45,611,000.

The 2018 proposed budget does not include a millage increase. The last County real estate millage increase took place for 2016.

A few notable categories for 2018 are as follows:

- County Support to Agencies

Support to other agencies (AAA, C&Y, Domestic Relations, Renova, MH/ID/EI, and EMA) is going down by 17% or \$928,000. Five out of the six agencies are staying the same or reducing the amount of support needed from the General Fund. Notably, the Renova Center, after a long wait, has finally received a reimbursement rate increase from the Commonwealth for the care they provide. That has resulted in a drop from \$700,000 to \$120,000 in needed county support. Further, the Emergency Management Agency is also benefitting from State intervention with the increase in 911 phone charges (from \$1.25 to \$1.65) starting to come through to the counties as well as some cost savings from the consolidation of equipment maintenance services.

- Prison Budget

With an average population of 530 inmates in 2017, the largest cost of the operation of the Prison is wages. While the opening of a new Day Reporting Center (DRC) was delayed, it is now in full operation as we go into 2018. There is some evidence that deferrals of defendants is having an impact on the prison population, with the population holding under 500 for the first time in a year and a half. With that considered, we continue to expect savings in overtime wages.

- Pension Fund Contribution

The Annual Required Contribution (ARC) to the Pension Fund will be fully paid for the fifth consecutive year at a cost of \$3,100,000. The 2018 ARC is budgeted to be

paid from General Fund revenues, agency reimbursements and cash carried forward from a lowered 2017 ARC. The last four payments of the ARC, along with a one-time deposit of \$10,000,000, and a good return on investments, have brought the County Employee Pension Fund to a funded level of 86%.

- Debt service

Debt service payments are up by 11% which is entirely attributable to the financing of energy saving improvements being installed through a guaranteed energy savings program with Honeywell. Over the life of the borrowing, the energy and operational savings will offset the cost of the debt. As a result of regular debt payments and well-timed refinancing, the County's principal debt is now below \$20 million.

Employee salary increases for 2018 are as follows:

Non-union	3%
Court Related (Teamsters)	3.25%
Court Professionals (Teamsters)	6%-on the chart; 4%-off the chart (arbitrated)
Social Services (Teamsters)	3%
County Detectives	Negotiating
Corr. Officers (AFSCME)	Negotiating
EMA Telecomm. (Choc. Wkrs)	3%

Non-union meal reimbursements for travel/training are being increased for 2018, as well as the unused sick leave buyback.

Employee health insurance premiums to the County are increasing by 4% for 2018. This is far lower than we're hearing in other public and private sectors this year. Deductibles and co-payments will not change for 2018 for non-union.

The 2018 budget includes continued funding for improvements to the County's information technology infrastructure as the County moves forward with upgrading and standardizing the IT platform and application software. The upgrades are expected to take place over multiple years. The next step in upgrades will be to replace the payroll and accounting software. \$250,000 remains budgeted and a process to select a product and a vendor will continue in 2018.

Capital Project Fund

In 2017, the Commissioners created a Capital Project Fund for property maintenance projects, improvements, acquisitions, technological upgrades or any other “non-routine” expenditure that may be appropriate. Creating and utilizing this type of fund helps to avoid spikes in the General Fund for expenditures that have a depreciable value or may only occur once over many years.

In 2017, the Capital Project was used to replace two sections of the Municipal Building roof, to repair sidewalks and a wheelchair ramp, and for the acquisition of a residential property behind MH/ID/EI which will expand parking for that agency. In 2018, the fund will be used for the previously mentioned payroll and accounting software, re-paving of the parking areas that serve the Courthouse and completion of the additional parking at MH/ID/EI. The Capital Project Fund is maintained with unanticipated refunds or allocations from the General Fund.