

**FINANCE MEETING
COMMISSIONERS' HEARING ROOM
Wednesday, February 18, 2015, 1:30 pm**

Present: Commissioners Barbara Cross, Jim Hertzler and Gary Eichelberger; Larry Thomas, Chief Clerk; Dana Best, Tammy Bender, and Ron Snow, Finance; Steve Marroni, The Patriot News; Daniel Walmer, The Sentinel.

Chief Clerk Thomas welcomed everyone to the Finance meeting. The topic for discussion:

General Fund – Fund Balance (see attached)

The Finance department presented the current 2014 Budget ending balance of \$23,982,000 and explained where changes occurred since the last update. The fund balance increased approximately \$3 million from the previous year.

Commissioner Cross asked if revenue tax is still outstanding.

Dana explained that is correct and only the admin fee of the Hotel Tax impacts us.

Commissioner Eichelberger asked if admin fee goes to Treasurer's budget.

Dana explained that it goes into the general fund.

Commissioner Hertzler stated that budgets in 2013 and 2014 were balanced budgets and revenues were higher than expenses, 2012 was better than expected and we are currently on track for 2015.

Commissioner Eichelberger asked how many operating days cover the current \$24 million.

Dana stated 150 days. 60 days is the GFOA standard.

Chief Clerk Thomas – increase millage by 3% in 2014. Real estate taxes went up \$2.18 million which increased the fund balance of \$3.1 million. The additional boost to the fund balance is from trimming expenses in each department.

Dana explained the changes in revenues and expenses overall is from salary/benefits. Chief Clerk Thomas stated benefits cost went up by 4.92%. Dana stated that a large piece is retirement.

Chief Clerk Thomas stated if we go back to PFM's Mission Review, they determined that personnel costs were driving our financial issues; we managed to get control of those costs and brought them down.

Commissioner Cross stated the cost savings is also from departments finding savings in their budgets. Commissioner Hertzler is hopeful the county remains in a better financial state and is looking towards no tax increases in 2015 by maintaining a balanced budget. Commissioner Cross mentioned the new State Administration budget is due the first of March. She stated we are optimistic of receiving funding from the State.

Commissioner Eichelberger is hopeful to see long term projections. He noted the savings in departments, but not to lower standards. Increased efficiencies and quality improvements need to continue going forward. Commissioner Hertzler stated that the county is not in any crisis and that we maintain a AAA bond rating and that the Nursing Home revenues are up. Commissioner Eichelberger stated there are lessons to be learned from how the County got to where it is today. Discussion was held regarding various years' budget differences.

Commissioner Cross stated since appointed to the Board there has been no tax increase, but it is unreasonable to expect that taxes will never go up.

Dennis Lebo stated that the yearly tax increases have stayed average since 2008, which shows 40% less than 2004 through 2008. Commissioner Eichelberger stated when his term started on the Board there was a structural deficit that needed addressed.

Commissioner Cross stated that financial projections that were provided for years 2013, 2014, 2015 were going to be challenging years.

Commissioner Eichelberger stated going forward there needs to be more than wage freezes and dramatic cuts. He would like to see a three year projection of the county's finances and realistic expenses.

Commissioner Cross mentioned outside influences are significant to the county budget.

Commissioner Hertzler mentioned that the P4P is a positive change to the salary structure that will be fairer to tax payers and the employees who work for County.

Chief Clerk Thomas stated that economics teaches you to look at an aesthetic and dynamic environment. There are things we can control and cannot control. He thanked the finance office for their hard work and for supporting the results such as the staff's creativity of gainsharing and voluntary separation programs. We need to build on what we have done to correct the budget and continue with providing better quality and value to our residents.

Adjourned at 2:10.

Jennifer Crum,
Administrative Assistant