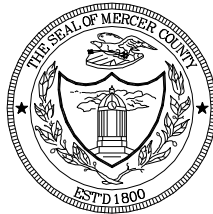


BOARD OF COMMISSIONERS

Matthew B. McConnell, Chairman
Scott Boyd
Timothy M. McGonigle



FINANCE OFFICE

208 Mercer County Courthouse
Mercer, PA 16137
(724) 662-3800 Ext. 2540

COUNTY OF MERCER

BUDGET for 2018

As Adopted Thursday, December 7, 2017

By John F. Logan, Fiscal Administrator

In this budget, the Commissioners again have wrestled successfully with increasing operating costs, while successfully managing our debt obligations to our bond holders.

General Fund cost increases are limited to normal inflation. Although we have continued exposure to reduced funding from our state and federal governments for shared programs, the recently adopted state budget has protected social service programs. Our citizens will appreciate that.

We have increased pay rates by 2% for non-union employees and are meeting similar obligations with those bargaining units with labor agreements in effect. Elected Officials' salaries rise 1.7%.

Most of our Elected Officials and department heads have limited operating cost increases, and we thank them for their good management. Although we deliver services through functional silos in our numerous programs, their cooperation with cost control and reporting has been excellent. For example, digital imaging of records reduces cost and makes data more available to the public.

Our benefit cost rates have remained stable, such that we do not have significant cost increases in health care or retirement. Workers compensation insurance is up \$89,000 to \$356,000. Our Safety Committee meets regularly to discuss risk reduction opportunities.

We are using "unconventional gas well" impact fees (Act 13) to help improve community parks in several municipalities, and a hiking trail in Greenville. In 2018 another boat launch will be built on the Shenango River, and more community park projects are anticipated.

Capital Projects: Bridge repair and replacement projects are scheduled as usual, but actual work could be limited by insufficient matching funds outside of County resources. In 2017, including state and federal participation, we spent \$3.2 million on our bridges. We have focused on extending the lives of County buildings. This year, installing a new roof (40-year life) on the courthouse and exterior restoration of the 1868 South Annex cost \$1.1 million. In 2018, we estimate using \$875,000 from the Capital Reserve Fund for four other roof replacements.

To emphasize the good news in this budget, the Commissioners will reduce real estate tax millage by one-half mill: one-quarter mill in the General Fund and one-quarter mill in the Capital Bond Sinking Fund. One mill of real estate tax represents about \$1,060,000 of revenue, so this reduction is about \$530,000 returned to the citizens through lower tax bills next year. Total County millage falls from 24.15 to 23.65. Barring unusual reductions in state and federal funding, I believe this tax rate is sufficient for the coming years.