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COUNTY OF MERCER

BUDGET for 2023
As Adopted Thursday, December 8, 2022
By John F. Logan, Fiscal Administrator

Over the past two years, we have managed millions in special grants, issued bonds, and worked to deal with rising costs.

- A. Last year we refinanced our bonds to obtain a fixed interest cost for the next 30 years and needed capital to replace aging bridges. Five projects will be completed by year-end and 25 more bridges are covered by agreements already in place.
- B. The Commissioners repealed the Per Capita tax, effective for 2021 and future years.
- C. While County employees continued to manage all of the established services to our citizens, we executed five major federal and state grant programs, three of which are continuing. Six million in CARES grants to businesses, schools, and non-profits and another million in CHIRP grants to hospitality businesses to help them survive the virtual shutdown during COVID. Seven million in ERAP One grants for rent and utilities to provide housing stability. Half a million from ARPA to improve and sanitize the air within the courthouse. Recently the Commissioners announced their commitment to a county-wide radio system and we are working with Career Link on a state grant to minimize the effect on our citizens from the closure of the Polk Hospital. Disbursements are well underway on the second ERAP grant which provides another five million dollars of housing stability grants during 2022-2023. The administrative team – Fiscal, Chief Clerk, Controller, and Treasurer – have worked together successfully to do this extra work.
- D. Tax collection and fees for services continue at a stable level.
- E. Conservative spending by our elected officials and department heads, coupled with strong purchasing procedures, has minimized the effect of non-payroll cost increases.

Now we deal with the challenges in this \$82,000,000 budget for 2023.

For 2023, the Commissioners have raised our pay rates, particularly at the entry-level to help attract new employees and to maintain our valued work force with competitive compensation. Continuing our health insurance program is a significant part of that compensation. For example, even though the County premium rates rise 14.94% on the non-union plan, the employee share is held at one-seventh of that. Pay and benefit costs to the county will rise \$1.3 million dollars for 2023.

Paying for quality people to do quality work is worthwhile, but it must be managed financially. The Commissioners are NOT increasing the real estate tax rate. For the tenth year, total county millage is not increased. For 2023, it remains at 23.65 mills. Working with the Treasurer and Controller, we will be developing an improved cash management process to replace some bank deposits with short-term investments. The interest earned will help pay for our cost increases.

We expect to complete the 2022 year “on budget”, meaning that the General Fund will report a deficit of about \$130,000. Expenses were right on budget, about \$3 million more than revenue from recurring sources. As planned, we are using \$2.9 million from our operating reserves. We will draw a similar amount to support 2023, where I propose a similar deficit \$126,975 for the year. By using this reserve instead of raising taxes, we are returning that amount to the taxpayers who provided it.