

COMMISSIONER MIRABITO COMMENTS ON 2019 BUDGET DECEMBER 13, 2018

Mr. Chairman, I am providing a copy of my comments to the recorder of the minutes, Ms. Anderson, for entry into the record and ask that they be attached to today's Official Minutes.

I have serious concerns about the Budget that is proposed for passage today.

**First**, the Budget fails the taxpayers in the area of transparency with the continued practice of not putting the costs of the golf course in the Budget.

The Bond payments are reflected in the Budget, but there is no provision for the payment of operating costs ---- the costs which in a 7 year period amounted to about \$1,020,530.

Any cumulative deficit stated in this Budget needs to be increased by the amount of the money that we have spent that has not been recorded in the County budget and that we are not going to get repaid.

The statement to the public that the money is not in our Budget because it was in the Recreation Authority budget is ~~misleading~~ <sup>misleading</sup> ~~misleading~~.

In some cases it was "loaned" to the Recreation Authority and not repaid; in other cases it was put into the Billy Casper Golf operating account. We know that taxpayers are never getting the money back. It is gone, spent. The spending has been hidden from the taxpayers in the form of fictitious "loans".

**Second**, this proposed Budget is fiscally irresponsible and continues the County down the path of overspending. The County millage rate in 2014 was 4.75 mills per thousand. The prior Board of Commissioners raised taxes by 1 millage or 21% effective January 2015 to 5.75 mills. This Board of Commissioners raised taxes by  $\frac{3}{4}$  of a millage effective January 2018 to 6.5 mills. Together, the taxpayers have seen their County taxes go up 37% in four years since January 2015. That is 1.75 mills as a percent of 4.75 mills.

**Third**, this proposed Budget does not execute on one of the primary recommendations in the Early Intervention Report provided by the consultant hired under the Department of Community and Economic Development grant. That report states at page 1 of the Fiscal Discipline recommendations:

*Given the degree to which Lycoming County depends on one stagnant form of revenue to fund a wide range of services, many of which are mandated by federal or state law, it is unlikely that Lycoming County will adopt a structurally balanced budget for the next five years without doing some level of tax increase or headcount reductions.*

Mr. Chairman, even before this Report came out, for 3 years I have advocated that we reduce our headcount through attrition --- to save money on our legacy costs of the pension and healthcare.

In our meetings with employees, some of them told us that they could do with fewer staff in certain departments. While some departments have reduced their headcount, other parts of County operations have not.

This Budget does not engage the recommendation of reducing the headcount. Mr. Chairman, even though this Board adopted a resolution in December 2017 by a vote of 2 to 1 to reduce the number of positions through attrition, we have not successfully executed on that Resolution. Indeed, the Vice Chairman voted against reducing the number of staff and it appears that the Resolution is being left by the wayside, so to speak.

For example, as recently as two months ago, I advocated that we not hire a new Maintenance Person for the prison, and that we reorganize within to reduce our headcount. That approach was rejected by my colleagues. I have since learned that our “new hire” has resigned so we are back at square one with that position.

**Fourth and finally**, the proposed Budget is setting us up for future tax increases. The EIP Report in the chapter entitled “Fiscal Discipline” states at page 1:

*Lycoming County government has struggled to balance its budget. The County ran deficits each year from 2013 through 2017 in the primary fund used to pay for County government operations. ... If the County takes no further corrective action, it will restart its streak of annual operating deficits in 2019 and those deficits will grow in the future.*

In the Baseline Projections provided in the Report, the deficits grow to almost \$2 million in 2020 and to \$5 million in 2023. The County will continue to eat into its Reserves and could wind up as the City is now with a very low Reserve fund.

For all of the above reasons, I am voting no on this Budget. One of the recommendations in the EIP Report was to combine certain departments and reduce the number of “chiefs” at high salaries in those departments.

I recommend that we not approve this Budget today and in the next 15 days work to implement some of the recommendations in the EIP Report.

Thank you Mr. Chairman.