

AGENDA
BLAIR COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING – 2019 PRELIMINARY BUDGET
CONFERENCE ROOM 2B, BLAIR COUNTY COURTHOUSE
TUESDAY, OCTOBER 15, 2018, 11:00 A.M.

1. **CALL TO ORDER**
2. **MOMENT OF SILENT REFLECTION**
3. **PLEDGE OF ALLEGIANCE TO THE FLAG**
4. **PUBLIC COMMENTS**
5. **INTRODUCTION OF THE 2019 PRELIMINARY BUDGET**

SPECIAL MEETING: MONDAY, OCTOBER 15, 2018, 11:00 A.M.:

Location: Conference Room 2B, 2nd Floor

Members Present: Commissioner Erb, Commissioner Tomassetti, Commissioner Beam, County Administrator Schmitt.

Members Absent: Solicitor Karn.

Others Present: Jenn Sleppy and Sarah Chuff (Finance), Kay Stephens (Altoona Mirror), A.C. Stickel (Controller), John Hicks (Citizen), Nicole Hemminger and Melissa Harpster (Commissioner’s Office).

CALL TO ORDER:

Commissioner Erb called the meeting to order.

MOMENT OF SILENT REFLECTION:

Commissioner Erb called for a moment of silent reflection:

PLEDGE OF ALLEGIANCE TO THE FLAG:

Commissioner Erb requested that those present stand and recite the Pledge of Allegiance to the Flag.

PUBLIC COMMENT:

Commissioner Erb called for public comment.

John Hicks, a summer intern in the Blair County District Attorney’s Office, presented comments and concerns regarding the starting salary rate for attorneys. Mr. Hicks stated that \$35,000.00, is too low and in turn is causing very good and talented attorneys to resign their positions with Blair County to accept positions that pay a much higher starting rate. Mr. Hicks stated, “You’re rolling the dice by paying so low a rate and I see the revolving door here.”

Discussion followed.

INTRODUCTION OF THE 2019 PRELIMINARY BUDGET:

Finance Director, Jennifer Sleppy, presented a PowerPoint presentation outlining the Blair County’s 2019 Preliminary Budget.

Mrs. Sleppy began with the 2018 financial results as of September 30, 2018. She stated that the overall financial picture is positive with revenues trending slightly over budget by 1% and expenses trending 3% under-budget. The figures as of September 30, 2018 are as follows:

Revenue	\$47,621,266.00
Expenditures	\$39,719,356.00
Operating Surplus	\$ 7,901,910.00

The 2018 budget has revenues at \$53,578,871.00, expenditures at \$54,451,248.00 for an operating shortage of \$872,377.00. The 2018 projection for revenues is \$53,896,162.00, expenditures of \$52,360,907.00 with an operating surplus at the end of 2018 of \$1,535,255.00.

Mrs. Sleppy stated that in review of 2018, she is expecting an operating surplus that reflects no increase in health care premiums for 2019, and a 30% decrease in the HRA budget for 2019. She stated that even though there is the ability to borrow against a \$10,000,000.00 Tax Anticipation Note there is no anticipated need for these funds in 2018 which reflects interest savings.

Mrs. Sleppy stated that the rollover to the new financial software (MUNIS) has allowed for greater transparency and enhanced efficiency in financial functions, has provided greater reporting capabilities, has improved control in purchase approval and budget monitoring, and has provided an easily accessible account history for budget preparation and comparison.

Mrs. Sleppy provided the 2018 General Fund Projection with General Fund Balance Estimates as of October 12, 2018 as follows:

Total General Fund Balance (2017 Audit)	\$ 6,644,398.00
Non-Spendable	\$ 61,800.00
Restricted	
Committed	\$ 3,310,417.00
Assigned	\$ 1,520,415.00
Unassigned General Fund Balance (2017 Audit) (Began 2018 with)	\$ 1,751,766.00
2018 Revenue Budget	\$63,578,870.00
2018 Expense Budget	\$64,451,248.00
2018 Budgeted Results	\$ (872,378.00)
Budgeted 2018 Year End Unassigned General Fund	\$ 879,388.00
2018 Projected Year End Operating Results	\$ 1,535,255.00
Projected 2018 Year End Unassigned General Fund	\$ 3,287,021.00

Mrs. Sleppy proceeded with presentation of the 2019 Preliminary Budget. She provided the 2019 budget timeline as follows:

Budget Entry	July 30 through August 24, 2018
Finance Review (projected salaries and benefits input)	August 24 through August 31, 2018
Department Head Meetings	September 4 through 21, 2018
Public Budget Meetings	September 26 through October 10, 2018
Public Budget Sessions	October 16 through November 5, 2018
Northern Blair Recreation Center	October 16, 2018 7:00 p.m.
Spring Cove Middle School	October 23, 2018 7:00 p.m.
Blair County Convention Center	October 30, 2018 7:00 p.m.
Budget Introduction	November 13, 2018
Budget Adoption	December 11, 2018

Mrs. Sleppy provided the 2019 general fund projections as follows:

Projected 2018 Year End Unassigned General Fund	\$ 3,287,021.00
2019 Revenue Budget	\$ 53,438,731.00
2019 Expense Budget	\$ 57,172,631.00
2019 Budgeted Results	\$ (3,733,900.00)
Projected 2018 Year End Unassigned General Fund	\$ (446,879.00)

The 2019 revenue budget projection for the areas reflected is as follows: (note –projection is at current millage rates.)

Taxes	57.4%	\$ 30,682,670.00
Children, Youth and Families	25.5%	\$ 13,607,229.00
Judicial	6.4%	\$ 3,424,468.00
Administrative	4.9%	\$ 2,631,480.00
Miscellaneous	4.6%	\$ 2,474,884.00
Prison	1.0%	\$ 535,000.00
Corrections	0.2%	\$ 83,000.00

The 2019 revenue budget projection (generation) for the areas reflected is as follows:

Current Taxes	\$ 30,663,670.00
Federal and State Reimbursements	\$ 16,043,452.00
Fees	\$ 3,558,172.00
Other Income	\$ 1,773,437.00
Delinquent Taxes	\$ 1,400,000.00

The 2019 expenditure budget projection for the areas reflected is as follows:

Children, Youth and Families	29.5%	\$16,889,238.00
Prison	21.0%	\$12,034,215.00
Judicial	18.5%	\$10,580,954.00
Administrative	13.1%	\$ 7,516,625.00
General Operations	10.0%	\$ 5,699,776.00
Miscellaneous	4.0%	\$ 2,308,818.00
Corrections (which includes APO/JPO)	3.7%	\$ 2,143,004.00

The 2019 expenditure budget projection for the areas reflected is as follows:

Salaries	\$17,266,721.00
Professional Services	\$14,196,707.00
Medical Insurance	\$ 5,789,624.00
Retirement Contributions	\$ 3,765,282.00
Debt Service	\$ 2,932,882.00
Other Expenses	\$ 2,597,186.00
Non-Staff Expenses	\$ 2,590,083.00
Appropriations	\$ 2,567,340.00
Benefits	\$ 2,407,431.00
Utilities	\$ 1,367,232.00
Maintenance and Repairs	\$ 530,645.00
Capital Expenditures	\$ 471,949.00
Supplies	\$ 400,239.00
Staff Development	\$ 289,310.00

Mrs. Sleppy stated that the 2019 Preliminary Budget reflects a 20% cut to office, janitorial and general operating supply expense budgets; no increase to health care premiums; 30% reduction in HRA expense budget; \$4.2 million contribution to pension; contracted wage increases for union employees; 3% wage increase for non-union employees and 2% wage increase for elected officials.

Discussion followed.

Mrs. Sleppy stated that the following items are being considered for the 2019 Budget: A 20% cut to maintenance budget for building, vehicle, and equipment maintenance; 50% cut to building, vehicle and equipment repair; further examination of EMA/911 budget requests; further examination of Children, Youth and Families budget requests; inclusion of a vacancy rate; and cuts to staff development expenses and planned capital purchases.

Mrs. Sleppy stated that the 2019 additional cuts and adjustments being considered would result in approximately \$600,000.00, in additional budgeted revenue and a reduction of \$2,822,740.00, in budgeted expenses.

Discussion followed.

Mrs. Sleppy provided the following 2019 adjusted budget projection, the current committed general fund balances and the committed general fund balance adjustments:

2019 Adjusted Budget Projection:	
Revenues	\$ 54,038,731.00
Expenses	\$ 54,349,891.00
Operating Shortage	\$ -311,160.00
Projected 2019 Year End Unassigned General Fund:	\$ 2,975,861.00
Current Committed General Funds:	
Pension contribution	\$ 2,000,000.00
Post-retirement healthcare (Valley View Home)	\$ 1,128,941.00
Worker's compensation reserve (Valley View Home)	\$ 181,476.00
Total:	\$ 3,310,417.00
Committed General Fund Adjustments:	
Post-retirement healthcare (Valley View Home)	\$ 714,743.00
Worker's compensation reserve (Valley View Home)	\$ 141,939.00
Total:	\$ 856,682.00
Projected 2019 Year End Unassigned General Fund:	\$ 5,429,596.00

Discussion followed.

Mrs. Sleppy announced the following Public Budget Sessions:

- October 16, 2018 7:00 p.m. Northern Blair Recreation Center
- October 17, 2018 1:00 p.m. Budget Meeting Room, Courthouse Basement
- October 23, 2018 7:00 p.m. Spring Cove Middle School
- October 25, 2018 11:00 a.m. Budget Meeting Room, Courthouse Basement
- October 29, 2018 10:00 a.m. Budget Meeting Room, Courthouse Basement
- October 30, 2018 7:00 p.m. Blair County Convention Center
- October 31, 2018 9:00 a.m. Budget Meeting Room, Courthouse Basement
- November 2, 2018 10:00 a.m. Budget Meeting Room, Courthouse Basement
- November 5, 2018 10:00 a.m. Budget Meeting Room, Courthouse Basement

Discussion followed.

Commissioner Beam stated that he is supportive of the negotiated raises for union employees' and supportive of a 2% to 3% raise for non-union employees with no increase in real estate taxes. He also stated that until the results of the job classification and salary study are back sometime in June 2019, he might be willing to consider a few raise requests in the 2019 budget for specific employees who are handling more responsibilities or demonstrating an expertise that is beyond their normal everyday duties.

Commissioner Erb stated that the county's current system is bad, but until the county receives the completed salary and job classification study he will not participate in picking and choosing of who gets higher than normal raise increases. He also stated that he might consider a 3% or minimum \$1,000.00 raise for non-union employees.

Commissioner Tomassetti stated that he feels the county budget can support raises. He stated that the county should consider a minimum raise or a percentage raise, stating that if the county sets a \$1,000.00 minimum raise, an employee who makes \$20,000.00 would receive a \$1,000.00 raise instead of the suggested 3% raise of \$600.00, and employees with a salary over \$30,333.00 receiving a 3% raise.

Discussion followed.

Meeting Adjourned,