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The County of Lackawanna's 2011 Budget Message

Summary of County Debt Position

In January 2008, the anticipated debt service for 2009 was estimated at \$18.8 million. As part of the Administration's debt reduction efforts, a debt restructuring plan was implemented reducing the 2009 debt service to \$15.6 million, a reduction of more than \$2 million.

Through further debt restructuring in 2009, the debt service for 2010 was decreased to \$15.1 million. On October 1, 2010, Lackawanna County engaged in further debt restructuring, which reduced the 2011 debt service to \$14.6 million.

Financial Policies of Lackawanna County for 2011

In 2011, the Administration will continue to follow its primary financial policy articulated in 2008, which is demonstrating fiscal responsibility, restraint and management when facing the county's financial challenges. The county will continue to find ways to increase fees where possible and reduce both non-personnel and personnel-related expenses.

The Administration will continue to follow a financial policy focused on streamlining county government by reducing non-personnel related expenses and reducing the size of the county workforce to the extent such reductions are prudent. Personnel-related expenses (salaries, wages and health care) comprise 60.3% of Lackawanna County's general fund budget. The Administration will continue to hold the line on expenses and enforce a non-essential employee hiring freeze to limit the expansion of county government.

The Administration will continue to increase county efforts to provide residents of Lackawanna County with improved parks and recreational opportunities for residents to enjoy. For example, this commitment was demonstrated in 2009 and 2010 through the Boundless Playground program funded through Landfill Trust money and state gaming dollars, in which three inclusive playgrounds for children of all ability levels were constructed at McDade Park in Scranton, at the Abington Area Community Park in South Abington Township, and at McHale Park in Dunmore. In 2011, this commitment will continue with construction of an additional three Boundless Playgrounds funded through Landfill Trust money at Aylesworth Park in Archbald, Covington Park in Covington Township, and a to-be-determined location in Moosic. The Administration will focus on overcoming the constant challenge facing county government, which is doing more with less.

Important Features of the Budget

The 2011 general fund budget includes no property tax increase.

Factors that impacted the 2011 budget included increasing employee health care costs, mandatory employee union contract wage increases, cuts in state human services funds and the state of the global economy. The important features of the 2011 budget include: (1) no property tax increase; (2) a reduction in force; (3) one-time revenue sources utilized to offset expenses, including the sale of the Lackawanna County Health Care Center and receipt of reimbursement funds; and (4) elimination of county position vacancies.

Reasons for Major Financial Policy, Expenditure & Revenue Changes from 2010 Budget

As indicated above, the Administration will continue to follow its primary financial policy articulated in 2008, which is demonstrating fiscal responsibility, restraint and management when facing the county's financial challenges. The Administration's adherence to this policy is evident in the fact that the 2011 budget is \$3,063,998 or 3.4% less than the adopted 2008 budget.

The human services area will continue to be a hallmark of the services offered by county government. In addition to human services, emergency response, the court system and other vital functions performed by county government will comprise the majority of the county's 2011 expenditures.

With a turbulent national economy, the county anticipates a reduction in collectible revenue in 2011 coupled with increased expenses in health care and non-personnel related expenses.

Budget Overviews

The 2011 general fund budget totals \$86,621,305. The 2011 capital budget totals \$11,148,330. The 2011 special purpose funds budget totals \$50,736,986.

*This Budget Message is respectfully submitted this 15th day of October 2010 pursuant to
Section 1.12-1203 of the Lackawanna County Home Rule Charter*


Michael J. Washo, Chairman
Board of Commissioners


Corey D. O'Brien, Vice-Chairman
Board of Commissioners