

This presentation contains information and data, as developed during the budget process, through 11/10/2020. Changes following that are not included. A final slide has been added to show how these issues were resolved and the full budget, and press release that accompanied the resolution to pass the proposed budget are on the County website at: www.co.greene.pa.us

2021 Budget

1. Where we are now financially.
2. What we need to accomplish moving forward.
3. What we have accomplished so far.

<https://www.co.greene.pa.us/resources/11256>

But First...

- ▶ Not all money the County receives can be spent for any use:
- ▶ Least restrictive: General Fund Taxes
- ▶ Some restrictions: Act 13 - 13 uses.
- ▶ Most restrictive: Grants and entitlements.
- ▶ Completely restricted: Pension Funds, Tax Claim Funds

County Debt: Very Low, well funded. Over funded to some extent.

County Pension: well funded, County always pays in what is needed.

Where we are now financially

In 2014 we had a \$4.7 million fund balance and \$9 Million act 13 in the bank

Year	Fund Balance12/31	Decrease	Act 13 used
2014	\$ 4,748,604.00		
2015	\$ 4,134,130.00	12.9%	\$ 682,000.00
2016	\$ 3,121,709.00	24.5%	\$ 1,082,962.00
2017	\$ 3,027,542.00	3.0%	\$ 2,814,112.00
2018	\$ 2,063,101.00	31.9%	\$ 3,715,000.00
2019	\$ 1,308,521.00	36.6%	\$ 4,288,795.50
2020			\$ 5,006,700.00
2020 - Rev			\$ 4,366,700.00

We started 2020 with a \$1.3 Million fund balance and \$400,000 Act 13 in the bank.

Where we are now financially

- ▶ Act 13 used to balance 2020 Budget - 5 Million out of 6 Million
- ▶ Current reductions by new board - 1 Million in expenditures, 440,000 in Act 13
- ▶ Normal Annual Increases - 7.35% Salaries and Benefits, 8.35% Utilities and Rent. Expected 2020 to 2021 Increase = \$998,916
- ▶ 2021 Budget initial deficit - 5.45 Million
- ▶ 2021 Act 13 Allocation - 4.6 Million.
- ▶ Coal is 32% of the County taxable value and depletion is at 731 Thousand in 2021 with the possible loss of all Murray Energy value in 2022. Contura is also reportedly looking to sell off all Greene County operations.

What we need to accomplish moving forward.

- ▶ Balance the Budget and stop using Act 13, so it can be used to develop the county and reduce our dependence on Coal revenue.

- ▶ If we don't:

	Budget	Act 13 Needed	Act 13 available	next year Act 13 needed
2020	18,945,622.00	4,570,000	4,570,000	-
2021	19,944,538.69	5,568,916.69	4,900,000	668,917
2022	20,943,455.37	6,567,833.37	3,331,083	2,567,834
2023	21,942,372.06	7,566,750.06	932,166	3,397,834

- ▶ Short Version: We run out of money by 2023
- ▶ Assumes that taxable value of the county does not drop (but it did).
- ▶ Assumes Act 13 allocations remain stable (they won't)
- ▶ Assumes budget isn't cut (which the new board has already done)

What we need to accomplish moving forward.

- ▶ Ways to balance the Budget:
- ▶ 1. Raise Taxes. Needed: 5 mills - 66% - added to the current 7.535 mills
- ▶ 2. Increase County Taxable Value from 1.5 Billion to 2.7 Billion - 43% - with no tax abatement, by 2022.
- ▶ 3. Cut Expenditures. Needed: 5.455 Million of 19 Million. 29% cut.
- ▶ 4. Raise other revenue. Needed: 5 Million
- ▶ Or a combination of all 4, plus Act 13 in a declining amount annually, allowing lower amounts/percentages in each category.

What we have accomplished so far

- ▶ Budget deficit reduced to 4.36 Million. Combination of cuts to the budget and increased revenue.
- ▶ A planned debt refinancing and restructuring allowed a shift in millage from debt to General Fund, increasing revenue by 372K.
- ▶ Additional Cuts and/or a moderate tax Increase could bring the deficit down to a level where Act 13 could be used to balance the budget the rest of the way.
- ▶ Union Contract Pay and On-call and Medical Expense Increases are still unknown
- ▶ No current set aside for Building and Grounds or unanticipated expenses.

How we have accomplished it

- ▶ Current cuts and revenue changes do not greatly impact service levels.
- ▶ Expense Cuts: Complete contracted services review, Row Office Solicitor changes, Travel and conference changes, Departments voluntarily leaving positions open, Cutting grants to local non-profits, shifting expenses - where allowed - to higher reimbursement departments.
- ▶ New Revenue: The sinking fund will be able to contribute ~990K to the general fund balance as a result of the restructuring, Departments increasing reimbursement rates, Grants, Higher Fee's, Millage shift. State Reimbursements for various grants also increase Fund Balance.

Further Cuts

- ▶ To continue to balance the budget, cuts to services would have to be made. Some departments are self-funding, some have state or federal reimbursements, some are mandated by law and cannot be cut.

Offices that pay for themselves (or almost pay for themselves)	Expenses	Revenue	Surplus	Source
Commissioners Finance	\$4,424,050.97	\$9,814,417.65	\$5,390,366.68	Taxes, Royalties
Tax Claim	\$259,634.19	\$1,355,000.00	\$1,095,365.81	Delinquent Taxes
Register & Recorder	\$261,790.89	\$696,000.00	\$434,209.11	Charge for Service
Clerk of Courts	\$240,604.21	\$276,000.00	\$35,395.79	CfS & Fines
CDBG	\$141,244.00	\$171,064.00	\$29,820.00	Admin off Grants
Airport (no personnel)	\$55,805.60	\$83,720.00	\$27,914.40	Rents & Gas sales
GIS Systems	\$14,900.00	\$29,000.00	\$14,100.00	PRC/GIS Customers
HSD Undesignated	\$0.00	\$0.00	\$0.00	State Funding
Voca/VoJo/ Rasa	\$88,082.00	\$88,082.00	(\$0.00)	State Grants
HOME	\$71,587.73	\$84,962.47	\$13,374.74	Admin off Grants
Drug & Alcohol	\$12,000.00	\$4,500.00	(\$7,500.00)	State Funding
Tourism	\$15,722.45	\$4,041.58	(\$11,680.87)	Hotel Motel Taxes
Conservation Office	\$16,195.76	\$0.00	(\$16,195.76)	State Funding
911 Center	\$37,938.80	\$0.00	(\$37,938.80)	Wireless fees

Further Cuts

- ▶ Largest Departments (over 500K) but some bring in revenue and most are mandated to some extent.

Largest Departments by Budget	Expenses	Revenue	Net Cost
Greene County Jail	\$2,132,028.70	\$70,090.62	\$2,061,938.08
Children and Youth Services	\$1,300,000.00	\$146,298.00	\$1,153,702.00
Courts	\$843,721.17	\$202,687.41	\$641,033.76
Sheriff's Office	\$787,556.77	\$197,143.77	\$590,413.00
Maintenance Department	\$692,907.59	\$0.00	\$692,907.59
Parks and Pools	\$649,949.12	\$270,000.00	\$379,949.12
Adult Probation	\$612,947.71	\$227,400.00	\$385,547.71
District Attorney's Office	\$560,441.86	\$123,500.00	\$436,941.86

- ▶ 34 Other Departments not in these 2 charts, with 5.87M total expenses, in Finance, Administration, Human Services, Law & Order, Recreation, and Planning/Development.

Resolution Items - Added 11/19/2020

- ▶ The Board of Commissioners were able to finalize and balance the budget in the following manner:
- ▶ 1. Further cuts to expenses and additional revenue was generated to a point to bring the deficit down to \$4.18 Million (from an initial \$5.45 Million)
- ▶ 2. Act 13 was added in the amount of \$1.111 Million, leaving 3.56 Million for development in 2021 and reducing the dependence on Act 13 funds by 78%.
- ▶ 3. The Board raised taxes by 1.5 mills to bring the final deficit down to \$1 Million.
- ▶ 4. The deficit will be mainly covered by moving \$940,000 from the internal Debt Service fund to the General Fund, which is possible due to the 2016 Bond Refinancing and the fact that the Debt Service fund was overfunded.