

## **News Release**

Contact: Greene County Commissioners

724-852-5210

[sapenich@co.greene.pa.us](mailto:sapenich@co.greene.pa.us)

### **Greene County addresses financial challenges in 2021 budget proposal**

#### **FOR IMMEDIATE RELEASE**

WAYNESBURG – It should not come as a surprise to anyone that Greene County is facing significant budget challenges. The Board of Commissioners, along with the Chief Clerk and Chief Financial Officer have presented the challenges of the 2021 Budget in their public meetings, to labor unions who are currently in negotiations with the county, during five Town Hall meetings across the county and posted those meetings for virtual viewing. Additionally, the Observer Reporter and Herald Standard have covered the issue with articles published on September 5 and Oct 19 and 23, respectively.

Due to the structural imbalance in the budget over the past 5 years, where General Fund expenses increased \$5 Million over General Fund revenues and Act 13 was used to balance the budget, Greene County's Capital Reserve Fund saw a decrease of \$8.5 Million and the General Fund balance decreased \$3.4 Million, essentially depleting all fiscal reserves. The current Board of Commissioners have cut over \$1.4 Million in expenses from the inherited 2020 budget and increased non-tax revenues and cut expenses in the proposed 2021 budget by \$1.5 million. Falling land values have also negatively impacted tax revenues.

Unfortunately, having implemented all available options to reduce the cost of government and increasing non-tax revenue, the final option for financial solvency for 2021 is a tax rate increase. The 2021 General Fund Budget proposes a 1.5 mil tax increase. The additional 1.5 mil rate will increase resident's property taxes an average of 4.25 percent. This will be the first county government tax increase since 2010.

Commissioner Mike Belding said. "Since taking office in January, we have made fiscal responsibility and increased transparency a focus of our efforts. Staff reductions, restructuring of existing debt and other budgetary restraints are not sufficient to "save" our way out of a \$5 million annual deficit. We have implemented every available option and the remaining option for 2021 is a tax rate increase. The proposed 1.5 mil rate will increase resident's property taxes an average of 4.25 percent."

An average of 69% of a resident's property taxes are paid to the school district and an additional 10% goes to their municipality. The remaining 21% are county government taxes. The Tax Levy for this budget includes a General Fund tax increase of 1.5 Mills and reallocates .273 Mills from Debt Service millage to General Fund millage. Total millage for 2021 is expected to be set at 9.035 Mills and while only an average 4.25% increase to a Greene County resident's total property taxes will yield an additional 20% to county government tax revenue.

The proposed 2021 budget includes \$13,055,437.32 of net tax revenue based on an assessed value of \$1,475,537,067; a decrease in taxable value of \$81,827,410 from the 2020 budget, but a net increase

of \$2,057,288.26 based on the millage changes. The 2021 budget is \$988,898.60 less in revenue and \$11,101.47 more in expenses than the current 2020 budget and \$2,970,008.95 less revenue and \$2,100,391.70 less expenditures than the 2019 actual revenue and expenses. The lower revenue, despite the millage increase, is due mainly to falling coal values. The pension fund is 93.2% funded as of 1/1/2020 and the 2021 proposed budget includes \$1,310,000.00 in pension funding.

The Debt Service millage is being decreased based on the refunding and restructuring of the 2016 Bonds. The 2021 Bonds will refund the outstanding principal and currently owed interest on the 2016 Bonds and extend final payment 1 year. Additionally, \$940,000.00 will be transferred from the internal Debt Service fund to the General Fund balance. This allows the budget to be passed with the significant difference between the revenues and expenses.

Commissioner Betsy McClure said, “We have been working very hard on the fiscal health of our county. Of course, new initiatives to stabilize our population, increase tax revenue and create new business and job opportunities takes time. At this point, we need to stop the downward spiral of our financial situation.”

Additional information can be obtained on the Greene County Government website, Greene County Commissioner’s Facebook page or by calling (724) 852-5210.

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