

**VENANGO COUNTY
2020 BUDGET
12/10/19**

2020 VENANGO COUNTY BUDGET NARRATIVE

The Venango County budget consists of approximately 70 funds which roll up in the following categories:

- General Fund: to include County General Fund operations, Human Services Fund and Operating Reserve Fund.
- Special Revenue Funds: to include major funds such as Liquid Fuels, Airport Special Funds, 911 Special Funds, Workforce Development, and CDBG Funds.
- Capital Reserve Fund: consists only of the Capital Reserve Fund, designated for capital use only.
- Debt Fund: to include the Debt Funds from where all County Debt is recorded and paid.
- Fiduciary Funds: to include major funds such as: Early Head Start, Domestic Relations IV-D Fund, Capital Transit Fund and Rural Operating Assistance Fund.

Total revenue for all funds is projected to be \$56,622,408 in 2020 which represents a decrease of approximately .8% from the current 2019 \$57,071,337 revenue budget. The County General Fund revenue budget, excluding Human Services, is projected at \$21,609,178 or an estimated 37% of the entire revenue budget.

Total expenses for all Venango County funds are projected to be \$59,894,816 in 2020 which represents a decrease of .9% from the 2019 \$60,432,946 expense budget. The County General Fund expense budget, excluding Human Services, is projected at \$20,314,703 or an estimated 36% of the entire budget.

Although the largest portion of the County's overall budget is the Human Services Fund, this review will place emphasis on the General Fund, non Human Services portion of the budget. This is where all expenses are reported which are funded utilizing the county assessed millage thus funded by county taxpayer dollars.

I. General Fund (Excluding Human Services) 2020 Budget Review

Revenue Analysis:

Taxes

Taxes are the total amount to be raised by property and per capita taxes for the support of County operations. The County is permitted to levy taxes up to 25 mills on the assessed value of real estate for general purposes and without limitation as to debt service.

The 2020 budget estimates that the assessed value of approximately 36,000 taxable parcels is \$2.035 billion which will result in gross billings of approximately \$14 million. The County also offers a homestead exemption of \$10,000 for all who apply and qualify. There are approximately 14,700 who qualify for this exemption which is budgeted to cost the County approximately \$852,000. The County's non delinquent collection rate on billed taxes is approximately 85%.

The total millage rate for 2020 has been budgeted to remain at 6.00. It will be used entirely for general fund purposes. The County does not officially designate millage for capital reserve or debt service purposes. The millage rate has been allocated to each general fund functional group. The general fund departments break into functional groups as follows:

- **General Government:** Commissioner's, Fiscal, Tax Claim Bureau, MIS, Assessment, Maintenance & Custodial, Garage, Public Defender, Human Resources, Voter Registration, Tax Collectors, Treasurer, Auditors and Planning.
- **Judicial:** Courts, Domestic Relations, Law Library, District Justices, Jury Commissioners, Register & Recorder, Coroner, District Attorney, Prothonotary and Sheriff.
- **Public Safety:** Prison, Court Supervision Services, Juvenile Court Supervision Services, EMA and 911.
- **Public Works:** Airport.
- **Human Services:** Veterans, Area on Aging, Children & Youth Services, Mental Health/Developmental Services, Office of Economic Opportunity, Transportation and Weatherization.
- **Culture and Recreation:** Park
- **Conservation and Development:** Conservation and Economic Development Activities.
- **Other:** Property Insurances
- **Debt:** Debt Service.

The total millage of 6.00 is allocated as follows:

	<u>2019</u>	<u>2020</u>
GENERAL GOVERNMENT	0.793	1.291
JUDICIAL	1.309	1.226
PUBLIC SAFETY	2.294	2.197
PUBLIC WORKS	0.174	0.185
HUMAN SERVICES	0.878	0.787
CULTURE AND RECREATION	0.113	0.092
CONSERVATION & DEVELOP.	0.219	0.193
MISCELLANEOUS	0.001	0.028
DEBT	0.219	0.000
	6.0000	6.0000

In 2019, the median value of a parcel in Venango County is estimated at \$57,653; therefore, the County's annual real estate taxes for an average home amounts to approximately \$346.

The 2020 General Fund budget for taxes of \$11,514,400 represents a slight increase from the 2019 budget. Approximately 64% of the general fund budget is funded through tax revenue.

Licenses & Permits

The 2020 General Fund budget for licenses and permits of \$39,250 represents a slight increase from the 2019 \$34,700 budget. The fees for licenses and permits are largely generated from the Treasurer's Office.

Federal Revenue

The County receives revenue from the federal government in the form of specific purpose grants. These monies are designated as federal and tracked via the C.F.D.A. (Catalog of Federal Domestic Assistance) number to ensure the monies are used for the purposes that are allowable under the grant.

The 2020 General Fund budget for Federal Revenue of \$1,176,116 represents an increase of approximately \$579,589 (97.16%) from the 2019 \$596,527 budget. The reason for the increase relates to fiduciary activity related to the Northwest Emergency Response Group.

State Revenue

State revenue represents the funds the County receives from the Commonwealth of Pennsylvania and these funds are designated for a specific purpose. These funds are tracked using a project number and the grant number when applicable. State Operating Grant revenues are completely different from Federal Operating Grants.

The 2020 General Fund budget for state revenue of \$490,016 represents an increase of approximately \$34,319 (7.53%) from the 2019 \$455,697 budget.

Also included in State revenue are state entitlements which are funds provided by the Commonwealth of Pennsylvania to the County for the State's portion of specific expenses. The primary entitlement the County receives is the reimbursement of Judges' expenses. The State will remit approximately \$50,000 to the County in 2019 for each of the County Judges. As the County has two Judges, approximately \$100,000 is budgeted to be received.

Fees for Services – General Government

These are monies received by the County for a variety of services. They include specific charges assessed members of the public for services rendered. One example of Fees for Services is the monies received by the Recorder's Office for recording a deed.

The 2020 General Fund budget for Fees for Services of \$2,440,058 represents an increase of approximately \$33,578 (1.40%) from the 2019 budget of \$2,406,480.

Other Revenue

These are various sources of revenue received by the County. Included in this grouping is revenue generated from the sale of county assets and monies generated by the rental of County property leased to outside entities. It also includes the revenue generated from the investment of cash. The 2020 General Fund budget for Other Revenue of \$252,001 represents a slight decrease of approximately \$21,366 (7.82%) from the 2019 budget of \$273,367.

Inter Fund Transfers – Revenue

These are various monies received in the General Fund from other County funds. One example is the Domestic Relations and Human Services Direct and Indirect Cost Reimbursement.

The 2020 General Fund budget for Inter Fund Transfers – Revenue of \$4,402,862 represents a decrease of approximately \$535,126 (10.84%) from the 2019 budget of \$4,937,988.

In 2020 the total amount to be transferred from the Operating Reserve Fund is projected to be \$2,200,000 to balance the 2020 budget.

Expense Analysis

Salaries

These are monies spent on the payroll of County General Fund elected officials and employees. This excludes any salaries paid for Human Services or 911 employees. The 2020 General Fund budget for Salaries of \$7,593,635 represents an increase of approximately \$157,030 (2.11%) from the 2019 budget of \$7,436,605. Increases and decreases to the complement factor into the overall increase or decrease to salary expense. The greatest portion of this increase relates to 27 pay dates occurring in 2020.

Benefits

These are monies spent on FICA and insurance costs for County General Fund elected officials and employees. The 2020 General Fund budget for benefits of \$2,928,929 represents a decrease of approximately \$27,286 (.92%) from the 2019 budget of \$2,956,215. The Commissioners have negotiated no increase to the health insurance premiums. Changes to the complement are also directly proportionate to the change in benefit amount.

Other Personnel Costs

These are monies primarily spent on training and workshops for County elected officials and employees. The 2020 General Fund budget for Other Personnel Costs of \$342,317 represents a decrease of approximately \$97,371 (22.15%) from the 2019 budget of \$439,688. This decrease is directly related to the County's fiduciary function for the Northwest PA Emergency Response Group as well as slight decreases in training costs among County departments.

Fees-Professional

These are monies spent on professional fees contracted by the General Fund as well as money provided to other agencies to support their operating costs. The 2020 General Fund Budget for Fees-Professional of \$2,854,721 represents a decrease of approximately \$20,424 (.71%) from the 2019 budget of \$2,875,145. The increase namely relates to increased contracted costs.

Occupancy

These are monies spent for all costs associated with building occupancy to include utilities, insurance, and rental of space, ground/building maintenance and repairs. The 2020 General Fund Budget for Occupancy of \$1,369,608 represents an increase of approximately \$53,902 (4.10%) from the 2019 \$1,315,706 budget.

Communication

These are monies spent for costs such as telephone, postage, internet, and advertising. The 2020 General Fund budget for Communication of \$412,298 represents an increase of \$12,074 (3.02%) from the 2019 \$400,224 budget. This is representative of our department heads and Elected Officials being diligent and saving money anywhere possible.

Supplies

These are monies spent for supplies required for all county departments to operate. The 2020 General Fund budget for Supplies of \$1,426,157 represents an increase of approximately \$35,526 (2.55%) from the 2019 \$1,390,631 budget. This increase is directly related to slight supply cost increases among categories.

Transportation

These are monies spent for travel costs to include vehicle leases, repair, insurance and supplies. The 2020 General Fund budget for Transportation of \$260,314 represents an increase of approximately \$4,692 (1.81%) from the 2019 \$255,685 budget. The increase is namely due to leasing vehicles when needed as opposed to purchasing vehicles.

Other Expenses

These are monies spent on all other expenses to include books, memberships, subscriptions, insurance for public officials, other court related costs and contingencies. The 2020 General Fund budget for Other Expense of \$299,257 represents a decrease of approximately \$70,766 (19.12%) from the 2019 \$370,023 budget.

Capital

These are monies spent on capital equipment and projects. The 2020 General Fund budget for Capital of \$997,263 represents an increase of approximately \$584,655 from the 2019 \$412,608 budget. Budgeted capital items for 2020 include a lease for voting machines, and minimal computer replacement. The largest increase relates to capital purchases for the Northwest Emergency Response Group.

Inter Fund Transfers – Expenses

These are various monies provided by the General Fund to other County funds. One example is County's responsibility to fund the 911 special revenue fund.

The 2020 General Fund budget for Inter Fund Transfers – Expense of \$1,830,204 represents a decrease of approximately \$435,025 (19.20%) from the

2019 budget of \$2,265,229. The largest portion of this decrease related to the Debt Service being fully paid at June 30, 2019. The inter fund transfer expenses include:

- The General Fund anticipates a total of \$52,000 to be funded to the 911 Special Fund to cover costs associated with the operations of the 911 Center.
- The County match to the Human Services Funds is also reflected here totaling \$1,775,000 in 2020.

II. Operating Reserve Fund

The 2020 budget uses \$2,200,000 of the Operating Reserve Fund to balance the General Fund Budget.

III. Human Services Funds

All Human Services Funds actually operate on a fiscal year of July 1 through June 30. They are required to budget on a fiscal year basis; therefore, the County's calendar year budget for 2020 is expected to be their July 1, 2019 through June 30, 2020 budget. Since this fiscal budget has not yet been created, Human Services uses their 2019 calendar year budget as a basis for the 2020 calendar year budget. Once the 19-20 fiscal year budget is completed during 2020, budget amendments will be done to adjust the calendar year 2020 budget accordingly.

IV. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The total 2020 budgeted revenues total \$13,799,477 which is a decrease of \$1,345,938 (8.89%) from the 2019 \$15,145,415 budget.

The total 2020 budgeted expenses total \$14,058,573 which is a decrease of \$947,401 (6.31%) from the 2019 \$15,005,974 budget.

The decrease in the special revenue funds is namely attributable to a decrease in Workforce Development monies for which the County is the Fiscal Agent for the Northwest Workforce Development Board.

V. Capital Reserve

Capital Reserve Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance to existing facilities and equipment.

VI. Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- The 2019 Debt Service Fund show no budget as all long term debt in the forms of General Obligation Bonds has been satisfied as of June 30, 2019.

VII. Total Fiduciary Funds

Fiduciary funds are monies which are used to account for assets held by the County in trustee capacity or as an agent for individuals, private organizations, other governments and/or funds.

The 2020 budgeted revenues and expenses for the fiduciary funds are relatively consistent with 2019 at \$ 1,612,232 and \$1,512,882, respectively.