

**VENANGO COUNTY  
2017 BUDGET  
11/15/16**

## **2017 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 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 \$55,685,588 in 2017 which represents a decrease of approximately 9% from the current 2016 \$60,655,334 revenue budget. The County General Fund revenue budget, excluding Human Services, is projected at \$20,498,047 or an estimated 37% of the entire revenue budget.

Total expenses for all Venango County funds are projected to be \$58,638,407 in 2017 which represents a decrease of 5.1% from the 2016 \$58,638,407 expense budget. The County General Fund expense budget, excluding Human Services, is projected at \$20,498,047 or an estimated 35% 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) 2017 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 2017 budget estimates that the assessed value of approximately 36,000 taxable parcels is \$2.008 billion which will result in gross billings of approximately \$12 million. The County also offers a homestead exemption of \$10,000 for all who apply and qualify. There are approximately 14,762 who qualify for this exemption which is budgeted to cost the County approximately \$830,000. The County's non delinquent collection rate on billed taxes is approximately 85%.

The total millage rate for 2017 has been budgeted to remain unchanged 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>2017</u>	<u>2016</u>
GENERAL GOVERNMENT	0.461	0.730
JUDICIAL	1.323	1.258
PUBLIC SAFETY	2.293	2.241
PUBLIC WORKS	0.164	0.139
HUMAN SERVICES	0.805	0.760
CULTURE AND RECREATION	0.151	0.140
CONSERVATION & DEVELOP.	0.203	0.163
MISCELLANEOUS	0.207	0.184
DEBT	0.393	0.386
	6.0000	6.0000

In 2016, the median value of a parcel in Venango County is estimated at \$55,092; therefore, the County's annual real estate taxes for an average home amounts to approximately \$331.

The 2017 General Fund budget for taxes of \$11,220,000 represents level funding from the 2016 budget. Approximately 56% of the general fund budget is funded through tax revenue which is consistent with that of the prior year.

### **Licenses & Permits**

The 2017 General Fund budget for licenses and permits of \$32,400 represents a slight increase from the 2016 \$32,300 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 2017 General Fund budget for Federal Revenue of \$1,137,970 represents an increase of approximately \$261,458 (29.83%) from the 2016 \$876,512 budget. The primary reason for the increase relates to fiduciary activity related to the Task Force.

### **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 2017 General Fund budget for state revenue of \$485,567 represents an increase of approximately \$30,688 (6.75%) from the 2016 \$454,879 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 2017 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 2017 General Fund budget for Fees for Services of \$2,307,497 represents an increase of approximately \$37,006 (1.63%) from the 2016 budget of \$2,270,491.

### **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 2017 General Fund budget for Other Revenue of \$531,705 represents an increase of approximately \$4,570 (.87%) from the 2016 budget of \$527,135.

### **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 2016 General Fund budget for Inter Fund Transfers – Revenue of \$4,782,908 represents an increase of approximately \$260,478 (5.76%) from the 2016 budget of \$4,522,430.

In 2017 the total amount to be transferred from the Operating Reserve Fund is projected to be \$3,462,428.

## **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 2017 General Fund budget for Salaries of \$7,200,276 represents an increase of approximately \$182,154 (2.60%) from the 2016 budget of \$7,018,122. The 2017 budget includes projected raises for County personnel averaging approximately 2.75%. In addition, increases and decreases to the complement factor into the overall increase or decrease to salary expense.

### **Benefits**

These are monies spent on FICA and insurance costs for County General Fund elected officials and employees. The 2017 General Fund budget for benefits of \$3,475,071 represents an increase of approximately \$133,753 (4.00%) from the 2016 budget of \$3,341,318. There primary reason for this increase is the contribution to the pension plan which is budgeted at approximately \$500,000 for 2017. For 2017, the Commissioners have negotiated a decrease 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 2017 General Fund budget for Other Personnel Costs of \$509,887 represents a decrease of approximately \$11,684 (2.24%) from the 2016 budget of \$521,571. This increase is directly related to the County's fiduciary function for the Northwest PA Emergency Response Group.

### **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 2017 General Fund Budget for Fees-Professional of \$1,622,171 represents an increase of approximately \$137,288 (9.25%) from the 2016 budget of \$1,484,883.

### **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 2017 General Fund Budget for Occupancy of \$1,206,164 represents an increase of approximately \$143,661 (13.52%) from the 2016 \$1,062,503 budget.

## **Communication**

These are monies spent for costs such as telephone, postage, internet, and advertising. The 2017 General Fund budget for Communication of \$409,435 represents an increase of \$2,058 (.51%) from the 2016 \$407,377 budget. This decrease is representative of the departments controlling telephone, advertising, and postage costs where possible.

## **Supplies**

These are monies spent for supplies required for all county departments to operate. The 2017 General Fund budget for Supplies of \$1,581,663 represents an increase of approximately \$127,836 (8.79%) over the 2016 \$1,453,827 budget. This increase is directly related to the County's fiduciary function for the Northwest PA Emergency Response Group.

## **Transportation**

These are monies spent for travel costs to include vehicle leases, repair, insurance and supplies. The 2017 General Fund budget for Transportation of \$200,759 represents a decrease of approximately \$11,124 (5.25%) from the 2016 \$211,883 budget.

## **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 2017 General Fund budget for Other Expense of \$511,880 represents an increase of approximately \$30,597 (6.36%) over the 2016 \$481,283 budget.

## **Capital**

These are monies spent on capital equipment and projects. The 2017 General Fund budget for Capital of \$1,089,203 represents an increase of approximately \$105,888 from the 2016 \$983,315 budget.

## **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 2017 General Fund budget for Inter Fund Transfers – Expense of \$2,691,538 represents a decrease of approximately \$246,127 (8.38%) from the 2016 budget of \$2,937,665. The inter fund transfer expenses include:

- A total of \$734,900 to be funded to the Debt Service Fund to cover required debt service payments on the Series 2014.

- The General Fund anticipates a total of \$302,630 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 \$1,645,308 in 2017.

## **II. Operating Reserve Fund**

The 2017 budget uses \$3,462,428 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 2017 is expected to be their July 1, 2016 through June 30, 2017 budget. Since this fiscal budget has not yet been created, Human Services uses their 2016 calendar year budget as a basis for the 2017 calendar year budget. Once the 16-17 fiscal year budget is completed during 2017, budget amendments will be done to adjust the calendar year 2017 budget accordingly. The following chart trends the expenses per Human Services Fund which shows the greatest growth in CYS, Transportation, and Developmental Services.

## **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 2017 budgeted revenues total \$13,572,621 which is a decrease of \$2,065,004 (13%) from the 2016 \$15,637,625 budget.

The total 2017 budgeted expenses total \$13,061,462 which is a decrease of \$2,649,483 (16%) from the 2016 \$15,710,945 budget.

The following pie chart details the breakdown of the Special Revenue Funds expenses:

## **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 2017 Debt Service Fund expense budget of \$996,500 represents an approximate \$950 increase from the 2016 \$995,550 budget.

### **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 2017 budgeted revenues total \$1,486,267 which is a decrease of \$766,410 (34%) from the 2016 \$2,252,877 budget.

The 2017 budgeted expenses total \$1,486,817 which is a decrease of \$796,610 (35%) from the 2016 \$2,283,427 budget.