

# Projections and 2026 Budget

## October 2025

# Financial Analysis Committee Presentation

Commissioners:

**Kelly Neiderer**

**Jean Foschi**

**Gary Eichelberger**

10/7/2025

Chief Operations Officer/Chief Clerk:

**Stacy M. Snyder**

Chief Financial Officer:

**Dana L. Best**



# Presentation Overview

- Fund balance management (one-time money) could maintain 100 days of unassigned fund balance through 2026.
- The earlier changes are made, the more flexibility there is in future years.
- Unassigned fund balance is projected to be approximately 103 days of general fund expenses in 2025 due to:
  - Increase in millage rate
  - One-time money
- Strategic plan currently in development



# 2025 General Fund Projection Comparison

	Projected 2025 (Mar 2025)	Projected 2025 (Aug 2025)	Change	Percentage Change
<b>Beginning Unassigned Fund Balance</b>	<b>33,142,806</b>	<b>33,142,806</b>	<b>0</b>	<b>0.00%</b>
<b><u>Revenue</u></b>				
<i>Real Estate Taxes</i>	71,158,934	70,017,706	(1,141,228)	(1.60%)
<i>All Other Revenue</i>	39,938,722	42,936,400	2,997,678	7.51%
<b>Total General Fund Revenue</b>	<b>111,097,656</b>	<b>112,954,106</b>	<b>1,856,450</b>	<b>1.67%</b>
<b><u>Expense</u></b>				
<i>Salary</i>	41,009,381	40,651,637	(357,744)	(0.87%)
<i>Benefit</i>	15,607,131	15,517,871	(89,260)	(0.57%)
<i>Operating</i>	33,022,821	33,853,778	830,957	2.52%
<i>Subsidy</i>	14,500,919	13,438,243	(1,062,676)	(7.33%)
<i>Capital</i>	7,244,008	7,221,434	(22,574)	(0.31%)
<i>Transfers / Debt</i>	6,377,224	6,533,691	156,467	2.45%
<b>Total General Fund Expenses</b>	<b>117,761,484</b>	<b>117,216,654</b>	<b>(544,830)</b>	<b>(0.46%)</b>
<b><u>Additional Impacts</u></b>				
<i>Indirect Cost Offset</i>	528,300	528,300	0	0.00%
<i>County Grant Program (County Allocation)</i>	4,701,447	3,819,056	(882,391)	(18.77%)
<i>Fund Balance Management</i>	1,300,000	0	(1,300,000)	(100.00%)
<b>Total Additional Impacts</b>	<b>6,529,747</b>	<b>4,347,356</b>	<b>(2,182,391)</b>	<b>(33.42%)</b>
<b>Projected Unassigned Fund Balance</b>	<b>33,008,725</b>	<b>33,227,614</b>	<b>218,889</b>	<b>0.66%</b>



# 2025 General Fund Projection Comparison

## Projected revenue is increasing \$1,856,000 or 1.7%

- Real Estate Tax projections are decreasing \$1,141,000 or 1.6%
- Other revenue is increasing \$2,998,000 or 7.5%
  - Recorder of Deeds transfer taxes and filing fees have increased \$338,000
  - Rate for contracted services DA is providing the Department of Corrections is increasing \$259,000
  - Internal revenue has increased \$496,000
  - Proceeds from long-term debt are increasing \$900,000 due to right-to-use leases and SBITA (offsetting expense)

## Projected expense is decreasing \$540,000 or 0.5%

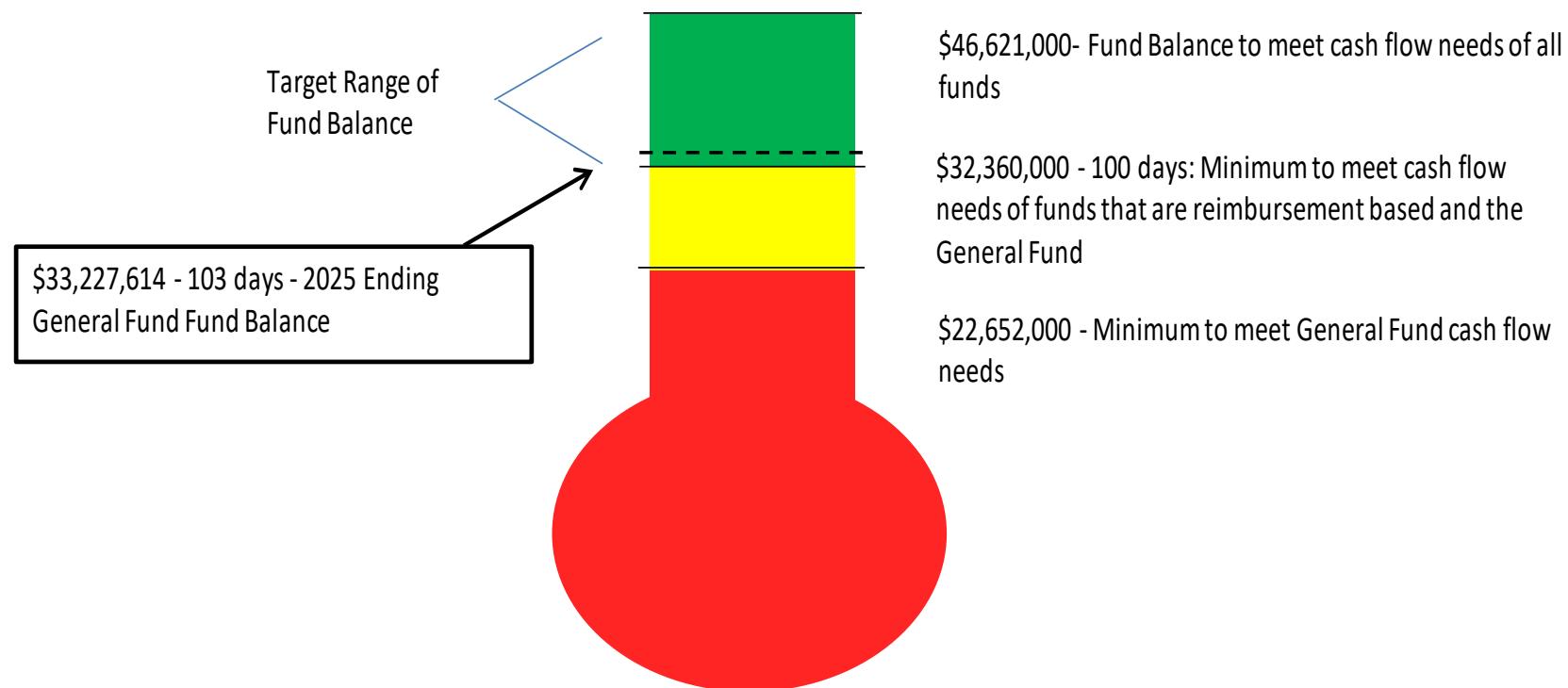
- Operating is increasing \$831,000 or 2.5%
- Subsidy is decreasing \$1,063,000 or 7.3%
  - 9-1-1 is decreasing \$1,022,000 due to shifting capital projects
- Capital is decreasing \$23,000 or 0.3%
  - Multiple projects delayed until 2026 and 2027 decreasing \$1,759,000 until decisions upon County Feasibility Study (\$1,218,000 of which is County Grant Program eligible)
  - Right-to-use leases and SBITA are increasing \$900,000 (offsetting revenue)

## Projected Additional impacts are decreasing \$2,182,000 or 33.4%

- County Grant Program (county allocation) is decreasing \$882,000 or 18.8% due to projects delayed until 2026
- Fund Balance Management is decreasing \$1,300,000 or 100% due to delayed capital expenses until 2026



# 2025 Unassigned Fund Balance Thermometer



# 2026 General Fund Budget

Beginning Unassigned Fund Balance	<b>33,227,614</b>
<b><u>Revenue</u></b>	
Real Estate Tax Revenue	71,730,409
Library Tax Revenue	6,843,326
Grant Revenue	5,940,048
Interfund Revenue	5,465,904
Other Revenue	19,947,957
<b>Total General Fund Revenue</b>	<b>109,927,644</b>
<b><u>Expense</u></b>	
Salary	44,930,837
Benefit	17,795,507
Operating	33,584,398
Subsidy	15,248,922
Capital	5,104,726
Transfers/Debt	8,361,696
Contingency	2,600,000
<b>Total General Fund Expenses</b>	<b>127,626,086</b>
<b><u>Additional Impacts</u></b>	
One-Time Money	8,689,995
Other Funding Sources	763,602
<b>Total Additional Impacts (Moved from Assigned/Committed)</b>	<b>9,453,597</b>
<b>2026 Unassigned Fund Balance</b>	<b>24,982,769</b>

## Major Changes from 2025 Budget

- Grant revenue is decreasing \$3.3 million due to the Countywide Action Plan grant decreasing \$1.3 million and Urban Redevelopment grants decreasing \$1.7 million.
- Salaries are increasing \$2.2 million due to budgeted step increases, new positions, wage scale adjustments.
- Operating is decreasing \$2.5 million due to the Countywide Action Plan grant expenses decreasing \$1.3 million and Urban Redevelopment grants decreasing \$1.7 million.
- Subsidy is decreasing \$2.6 million due to MH.IDD subsidy decreasing \$2.5 million.
- Capital is decreasing \$4.5 million due to less capital projects estimated to occur in 2026.
- One-Time Money is decreasing \$3.1 million due to the county grant program.



# 2026 Budget vs Projections

	Preliminary Budget 2026	Projected 2026	Change	Percentage Change
<b>Beginning Unassigned Fund Balance</b>	<b>33,227,614</b>	<b>33,227,614</b>	<b>0</b>	<b>0.00%</b>
<b><u>Revenue</u></b>				
<i>Real Estate Taxes</i>	71,730,409	71,730,409	0	0.00%
<i>All Other Revenue</i>	38,197,235	38,428,979	231,744	0.61%
<b>Total General Fund Revenue</b>	<b>109,927,644</b>	<b>110,159,388</b>	<b>231,744</b>	<b>0.21%</b>
<b><u>Expense</u></b>				
<i>Salary</i>	44,930,837	42,215,678	(2,715,159)	(6.04%)
<i>Benefit</i>	17,795,507	16,408,093	(1,387,414)	(7.80%)
<i>Operating</i>	36,753,340	31,421,205	(5,332,135)	(14.51%)
<i>Subsidy</i>	15,248,922	16,131,111	882,189	5.79%
<i>Capital</i>	5,104,726	5,760,924	656,198	12.85%
<i>Transfers / Debt</i>	7,792,754	5,694,586	(2,098,168)	(26.92%)
<b>Total General Fund Expense</b>	<b>127,626,086</b>	<b>117,631,597</b>	<b>(9,994,489)</b>	<b>(7.83%)</b>
<b><i>Additional Impacts (Moved from Assigned/Committed)</i></b>	<b>9,453,597</b>	<b>7,612,995</b>	<b>(1,840,602)</b>	<b>(19.47%)</b>
<b>2026 Unassigned Fund Balance</b>	<b>24,982,769</b>	<b>33,368,400</b>	<b>8,385,631</b>	



# 2026 Budget vs Projections

**Projected expenses are decreasing \$9,994,000 or 7.8%**

- Salary and benefits are decreasing \$4,103,000
  - Budget for all positions and adjust hours for vacant positions not planned to be filled
  - Projections look at trends with wage scale adjustments, step increases, adding/removing positions, turnover, vacant positions, etc.
- Operating expenses are decreasing \$5,332,000
  - \$2,600,000 contingency in budget but not projections
  - \$2,700,000 in budget but not projections due to Infor/Lawson processing factors
- Subsidy is increasing \$882,000
  - \$1,298,000 due to Children and Youth expansion of the needs-based budget to meet current operations and complex cases
- Capital is increasing \$656,000
  - \$656,000 in projections but not budget for estimated projects submitted during the year. This would be moved from contingency.
- Transfers/debt are decreasing \$2,098,000
  - \$1,077,000 is budgeted in the transfer out but not included in projections. This is for the external county grant program projects that have no impact to unassigned fund balance.
  - \$548,700 is budgeted for P25 for tower site decommissioning but not included in projections. There will be no impact to unassigned fund balance.



# 2026 Budget vs Projections

Additional Impacts		
	<u>Budget</u>	<u>Projections</u>
County Grant Program	1,084,695	1,084,695
Committed Fund Balance	1,077,000	-
Fund Balance Management	6,000,000	6,000,000
Indirect Cost Offset	528,300	528,300
Other Funding Sources	763,602	-
<b>Total Additional Impacts</b>	<b>9,453,597</b>	<b>7,612,995</b>

- Additional impacts are decreasing \$1,841,000
  - \$1,077,000 is budgeted in the transfer out but not included in projections. This is for the external county grant program projects that have no impact to unassigned fund balance.
  - \$764,000 of budgeted expenses have other funding sources.



# 2025 - 2029 Projections

## 2025 Thru 2029 General Fund Projections

As of August 2025

	Projected 2025	0.0% Projected 2026	0.0% Projected 2027	0.0% Projected 2028	0.0% Projected 2029
<b>Revenue</b>					
Real Estate Taxes	70,017,706	71,730,409	72,297,154	73,019,842	73,749,756
All Other Revenue	42,936,400	38,428,979	34,105,519	34,390,561	34,679,437
<b>Total General Fund Revenue</b>	<b>112,954,106</b>	<b>110,159,388</b>	<b>106,402,673</b>	<b>107,410,403</b>	<b>108,429,193</b>
<b>Expense</b>					
Salary	40,651,637	42,215,678	43,824,819	45,492,532	47,230,160
Benefit	15,517,871	16,408,093	16,745,289	17,011,133	17,404,582
Operating	33,853,778	31,421,205	30,467,084	31,076,572	31,693,233
Subsidy	13,438,243	16,131,111	16,845,195	17,233,013	17,642,341
Capital	7,221,434	5,760,924	5,866,704	4,895,729	4,684,685
Transfers / Debt	6,533,691	5,694,586	4,388,726	5,910,242	3,151,852
<b>Total General Fund Expenses</b>	<b>117,216,654</b>	<b>117,631,597</b>	<b>118,137,817</b>	<b>121,619,221</b>	<b>121,806,853</b>
<b>Additional Impacts</b>					
Indirect Cost Offset	528,300	528,300	528,300	0	0
County Grant Program (County Allocation)	3,819,056	1,084,695	1,686,695	1,519,195	39,974
Fund Balance Management	0	6,000,000	3,354,200	0	0
<b>Total Additional Impacts</b>	<b>4,347,356</b>	<b>7,612,995</b>	<b>5,569,195</b>	<b>1,519,195</b>	<b>39,974</b>
<b>Unassigned Fund Balance</b>	<b>33,227,614</b>	<b>33,368,400</b>	<b>27,202,451</b>	<b>14,512,828</b>	<b>1,175,142</b>
<b>Days of Unassigned Fund Balance</b>	<b>103</b>	<b>100</b>	<b>81</b>	<b>43</b>	<b>4</b>
<b>Change in Unassigned Fund Balance</b>	<b>84,808</b>	<b>140,786</b>	<b>-6,165,949</b>	<b>-12,689,623</b>	<b>-13,337,686</b>
<b>Adjustment Required to Maintain 100 days</b>	<b>0.0%</b>	<b>0.1%</b>	<b>8.6%</b>	<b>25.9%</b>	<b>43.8%</b>



# Revenue Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Real Estate Taxes	70,017,706	71,730,409	72,297,154	73,019,842	73,749,756
All Other Revenue	42,936,400	38,428,979	34,105,519	34,390,561	34,679,437
<b>Total General Fund Revenue</b>	<b>112,954,106</b>	<b>110,159,388</b>	<b>106,402,673</b>	<b>107,410,403</b>	<b>108,429,193</b>

- Major changes from May projections:
  - Real Estate Tax revenue projections decreased \$1,141,000 or 1.6%
  - Other revenue is increasing \$2,998,000 or 7.5%
    - Proceeds from long-term debt are increasing \$900,000 due to right-to-use leases and SBITA (offsetting expense)
- Assumptions:
  - 2026 Real estate taxes assumes 2% increase and 2027-2029 assumes 1% annually
  - Anticipate a decrease in interest revenue in 2026 due to:
    - Declining interest rates
    - Decreasing cash balance due to County Grant Program funding expenses
  - State grants are returning to normal by decreasing \$2.7 million in 2026 due to the countywide action plan. (offsetting expense)
  - Proceeds from Long-Term Debt are decreasing in 2026 due to a decrease in right-to-use leases and SBITA. (offsetting expense)
  - Departmental fees are decreasing in 2027 when the Prison is no longer housing Huntington County inmates.



# Salary and Benefit Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Salary</b>	<b>40,651,637</b>	<b>42,215,678</b>	<b>43,824,819</b>	<b>45,492,532</b>	<b>47,230,160</b>
<b>Benefit</b>	<b>15,517,871</b>	<b>16,408,093</b>	<b>16,745,289</b>	<b>17,011,133</b>	<b>17,404,582</b>

- No major changes from May projections
- Assumptions:
  - No wage scale adjustments in 2025
  - 2026-2029 projections assume a 4% increase in salaries
    - Wage scale adjustments
    - Step increases
    - Turnover
    - Adding/removing positions
  - 2026 projections assume a 5.7% increase in benefits due to an 8% increase in medical insurance
  - 2027-2029 projections assume an average annual increase of 2% in benefits



# Operating Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<i>Operating</i>	33,853,778	31,421,205	30,467,084	31,076,572	31,693,233

- No major changes from May projections.
- Assumptions:
  - 2027-2029 operating expenses assume an average increase of 2%
  - Projecting a decrease in 2026 & 2027 due to:
    - Countywide action plan decreasing \$1.2 million in 2026 and \$1.3 million in 2027. These expenses have offsetting revenues.
  - Continuing to see increases in contracts and supplies
  - Property & Casualty Insurance is projected to increase 3% annually following the 20% increase in the 2025-2026 agreement



# Subsidy Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Subsidy</b>	<b>13,438,243</b>	<b>16,131,111</b>	<b>16,845,195</b>	<b>17,233,013</b>	<b>17,642,341</b>

- Major changes from May projections:
  - 9-1-1 decreased \$1,022,000 due to projects moving to different years
- Assumptions:
  - 2026 increase of 20%
  - 2027-2029 average increase of 3%
  - Flat state funding
  - Public Safety CAD & Mobile Command Unit are fully funded
- Children & Youth increasing \$1,352,000 in 2026 due to the overmatch payment received in 2025
- Drivers of subsidy changes are changes in salaries and benefits, service contracts, and federal and state revenue



# Capital Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Capital</b>	7,221,434	5,760,924	5,866,704	4,895,729	4,684,685
<b>Assigned Fund Balance (County Grant Program)</b>	(1,609,996)	(498,000)	(1,650,000)	0	0
<b>Other Revenue (Grants, Farmland, SBITA)</b>	(3,406,514)	(2,264,869)	(21,489)	(21,489)	(21,489)
<b>Adjusted Capital</b>	2,204,924	2,998,055	4,195,215	4,874,240	4,663,196

- Major changes from May projections:
  - Capital decreased \$898,000 due to timing of projects
  - Right-to-use leases/SBITA increased \$900,000 (offsetting revenue)
- Assumptions:
  - Capital projections are developed using departmental 10-year plans
  - 2025 was a higher capital year and this was anticipated



# Transfers/Debt Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<i>Transfers / Debt</i>	6,533,691	5,694,586	4,388,726	5,910,242	3,151,852

- Major change from May projections is transfers/debt increasing \$142,000 due to an increase in SBITA payments
- Assumptions:
  - Debt changes are in accordance with the amortization schedules
  - 9-1-1 bonds are shown in subsidy



# Additional Impacts Projections

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b><u>Additional Impacts</u></b>					
Indirect Cost Offset	528,300	528,300	528,300	0	0
County Grant Program (County Allocation)	3,819,056	1,084,695	1,686,695	1,519,195	39,974
Fund Balance Management	0	6,000,000	3,354,200	0	0

- The County Grant Program funding is projected based on project spend. This is to offset capital expenses. This can shift depending on timing of projects.
- Fund Balance Management is adjusted to maintain 100 days of fund balance. This can fluctuate based on changes in expenses and/or revenues.

## Fund Balance Management

Allocated During Budget	\$9,354,200
Less 2025	\$0
Less 2026	\$6,000,000
Less 2027	\$3,354,200
Ending Balance	\$0



# Unassigned Fund Balance

	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Unassigned Fund Balance</b>	<b>33,227,614</b>	<b>33,368,400</b>	<b>27,202,451</b>	<b>14,512,828</b>	<b>1,175,142</b>
<i>Days of Unassigned Fund Balance</i>	<i>103</i>	<i>100</i>	<i>81</i>	<i>43</i>	<i>4</i>
<b>Change in Unassigned Fund Balance</b>	<b>84,808</b>	<b>140,786</b>	<b>-6,165,949</b>	<b>-12,689,623</b>	<b>-13,337,686</b>
<i>Adjustment Required to Maintain 100 days</i>	<i>0.0%</i>	<i>0.1%</i>	<i>8.6%</i>	<i>25.9%</i>	<i>43.8%</i>

- Fund balance will continue to decline without continued implementation of cost containment measures and/or increases in revenues.
- The one-time money is temporarily keeping unassigned fund balance at 100 days to delay the decline.



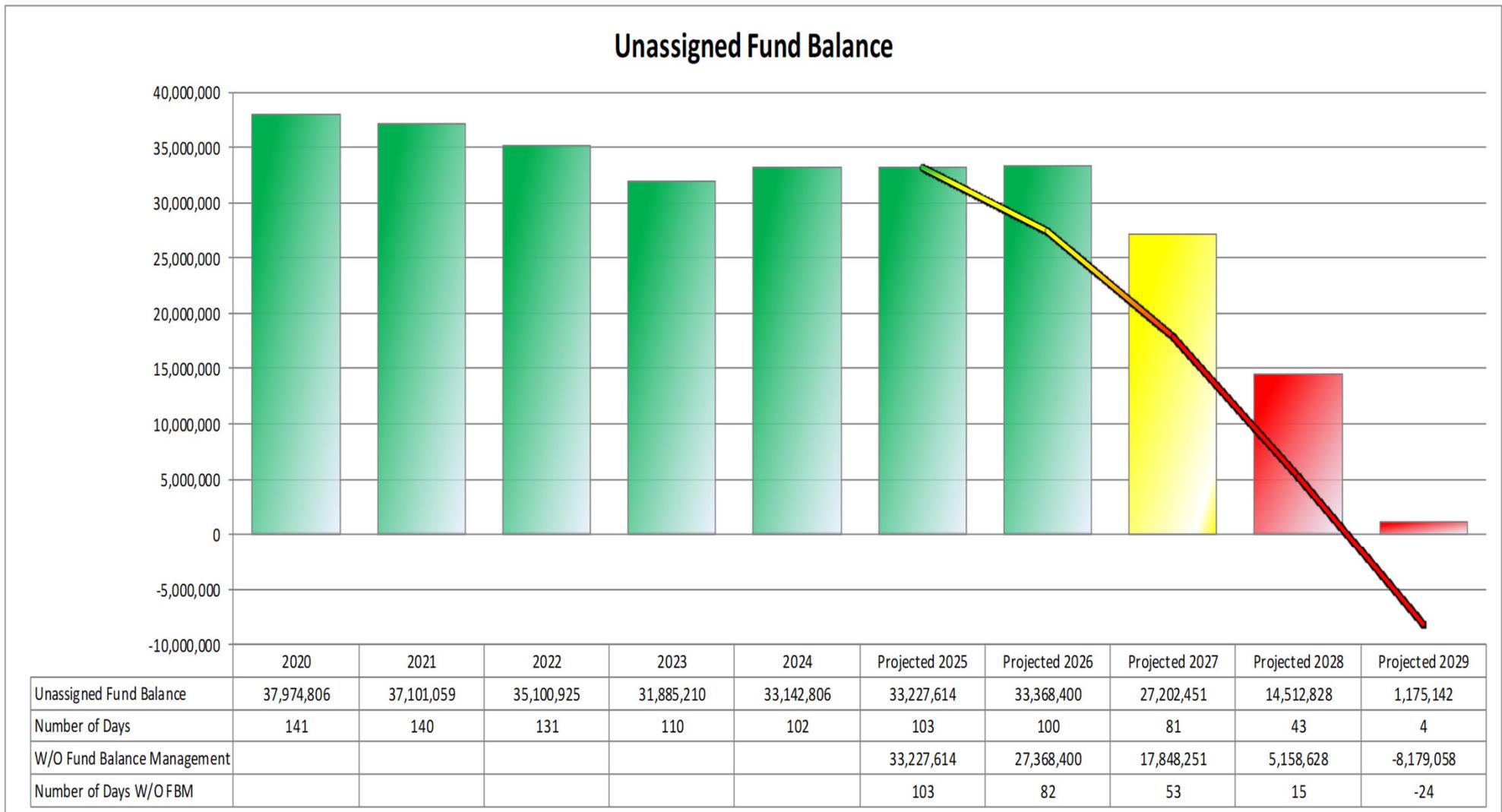
# Unassigned Fund Balance without Fund Balance Management

	Projected 2025	0.0% Projected 2026	0.0% Projected 2027	0.0% Projected 2028	0.0% Projected 2029
<b>Unassigned Fund Balance</b>	<b>33,227,614</b>	<b>27,368,400</b>	<b>17,848,251</b>	<b>5,158,628</b>	<b>(8,179,058)</b>
<i>Days of Unassigned Fund Balance</i>	<i>103</i>	<i>82</i>	<i>53</i>	<i>15</i>	<i>-24</i>
<b>Change in Unassigned Fund Balance</b>	<b>84,808</b>	<b>-5,859,214</b>	<b>-9,520,149</b>	<b>-12,689,623</b>	<b>-13,337,686</b>
<i>Adjustment Required to Maintain 100 days</i>	<i>0.0%</i>	<i>8.5%</i>	<i>21.6%</i>	<i>38.7%</i>	<i>56.4%</i>

- Without one-time money, unassigned fund balance will drop below 100 days in 2026.
- An adjustment to maintain 100 days is needed sooner without one-time money.



# General Fund Projections



# Scenarios



# Scenario Summary

- Scenario One
  - Small incremental annual changes through 2026-2029
  - Use Fund Balance Management each year to “breakeven”
- Scenario Two
  - One large change in 2026
  - Use Fund Balance Management each year to “breakeven”
- Scenario Three
  - Use Fund Balance Management each year to “breakeven” until its depleted
  - Annual changes through 2027-2029

\* Changes are ongoing and can be a change in revenues and/or expenses

1% change = \$700,000

5% change = \$3,501,000

10% change = \$7,002,000



# Scenarios

## Scenario One

	Input of Percentage Change	0.0%	4.5%	4.5%	4.0%	4.0%
	Input of Fund Balance Management	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,354,200	
		Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Unassigned Fund Balance</b>		<b>33,227,614</b>	<b>33,596,268</b>	<b>33,729,265</b>	<b>34,303,073</b>	<b>34,323,993</b>
<i>Days of Unassigned Fund Balance</i>		<i>103</i>	<i>100</i>	<i>101</i>	<i>103</i>	<i>103</i>

## Scenario Two

	Input of Percentage Change	0.0%	11.1%	0.0%	0.0%	0.0%
	Input of Fund Balance Management	\$ -	\$ -	\$ -	\$ 4,600,000	\$ 4,754,200
		Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Unassigned Fund Balance</b>		<b>33,227,614</b>	<b>35,330,475</b>	<b>33,835,310</b>	<b>33,850,889</b>	<b>33,453,626</b>
<i>Days of Unassigned Fund Balance</i>		<i>103</i>	<i>106</i>	<i>101</i>	<i>101</i>	<i>100</i>

## Scenario Three

	Input of Percentage Change	0.0%	0.0%	9.0%	7.5%	1.0%
	Input of Fund Balance Management	\$ -	\$ 6,000,000	\$ 3,354,200	\$ -	\$ -
		Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
<b>Unassigned Fund Balance</b>		<b>33,227,614</b>	<b>33,368,400</b>	<b>33,709,195</b>	<b>33,560,730</b>	<b>33,753,727</b>
<i>Days of Unassigned Fund Balance</i>		<i>103</i>	<i>100</i>	<i>101</i>	<i>100</i>	<i>101</i>

\* Changes are ongoing and can be a change in revenues and/or expenses

1% change = \$700,000

5% change = \$3,501,000

10% change = \$7,002,000



# Where we are in the process?

- October 22<sup>nd</sup> – Finance Meeting, if needed
- October 29<sup>th</sup> – Finance Meeting, if needed
- November 5<sup>th</sup> – 2026 Budget on view
- December 3<sup>rd</sup> – 2026 Budget approval



# Presentation Overview

- Fund balance management (one-time money) could maintain 100 days of unassigned fund balance through 2026.
- The earlier changes are made, the more flexibility there is in future years.
- Unassigned fund balance is projected to be approximately 103 days of general fund expenses in 2025 due to:
  - Increase in millage rate
  - One-time money
- Strategic plan currently in development



# Projections and 2026 Budget

## October 2025

### Financial Analysis Committee Presentation

Commissioners:

**Kelly Neiderer**

**Jean Foschi**

**Gary Eichelberger**

Chief Operations Officer/Chief Clerk:

**Stacy M. Snyder**

Chief Financial Officer:

**Dana L. Best**

\* Presentation is available at [www.cumberlandcountypa.gov/finance](http://www.cumberlandcountypa.gov/finance)

