

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
Beginning Unassigned Fund Balance	33,142,806	33,142,806	0	0.00%
<u>Revenue</u>				
<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%
Total General Fund Revenue	111,097,656	112,954,106	1,856,450	1.67%
<u>Expense</u>				
<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%
Total General Fund Expenses	117,761,484	117,216,654	(544,830)	(0.46%)
<u>Additional Impacts</u>				
<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%)
Total Additional Impacts	6,529,747	4,347,356	(2,182,391)	(33.42%)
Projected Unassigned Fund Balance	33,008,725	33,227,614	218,889	0.66%



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%

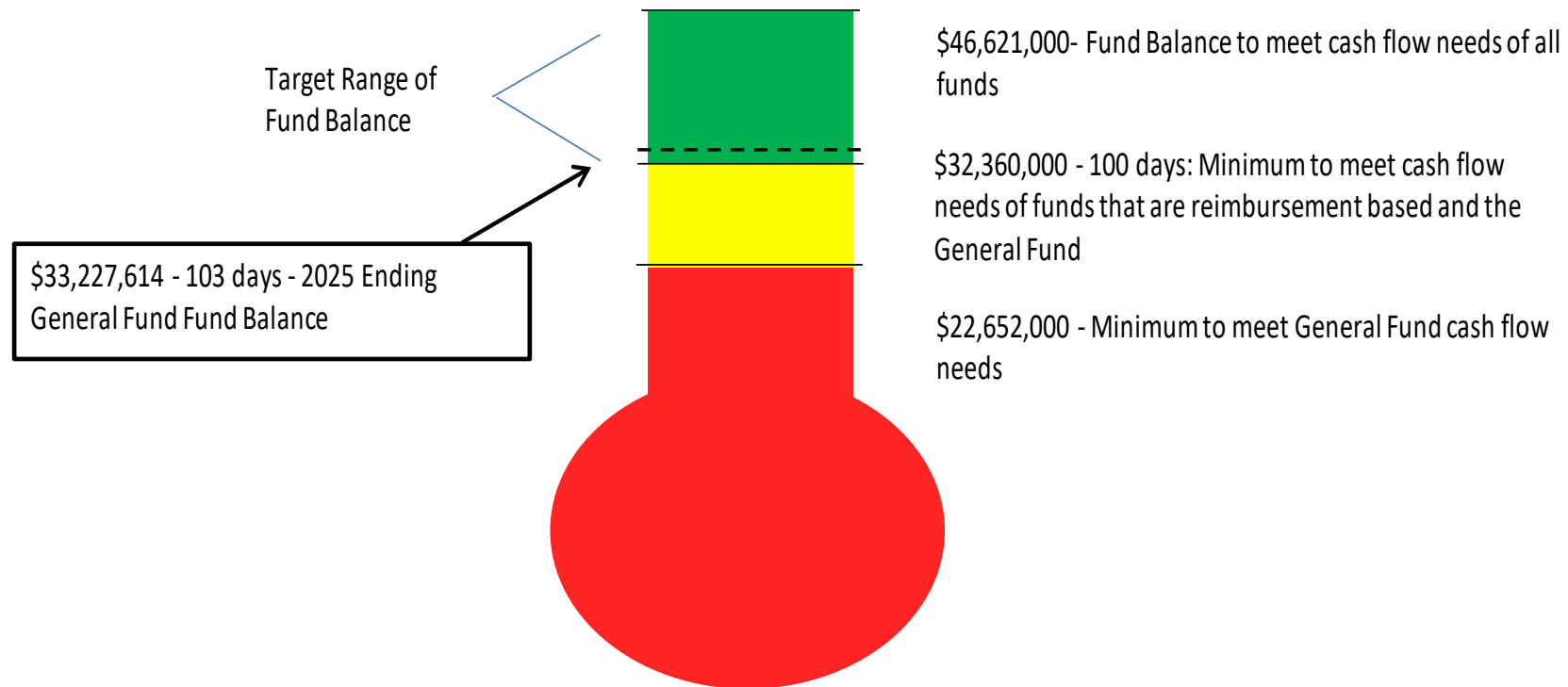
- Operating is increasing \$831,000 or 2.5%
- Subsidy is decreasing \$1,063,000 or 7.3%
 - 9-1-1 is decreasing \$1,022,000 due to shifting capital projects
- Capital is decreasing \$23,000 or 0.3%
 - Multiple projects delayed until 2026 and 2027 decreasing \$1,759,000 until decisions upon County Feasibility 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 33,227,614

Revenue

<i>Real Estate Tax Revenue</i>	71,730,409
<i>Library Tax Revenue</i>	6,843,326
<i>Grant Revenue</i>	5,940,048
<i>Interfund Revenue</i>	5,465,904
<i>Other Revenue</i>	19,947,957

Total General Fund Revenue 109,927,644

Expense

<i>Salary</i>	44,930,837
<i>Benefit</i>	17,795,507
<i>Operating</i>	33,584,398
<i>Subsidy</i>	15,248,922
<i>Capital</i>	5,104,726
<i>Transfers/Debt</i>	8,361,696
<i>Contingency</i>	2,600,000

Total General Fund Expenses 127,626,086

Additional Impacts

<i>One-Time Money</i>	8,689,995
<i>Other Funding Sources</i>	763,602

Total Additional Impacts (Moved from Assigned/Committed) 9,453,597

2026 Unassigned Fund Balance 24,982,769

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
Beginning Unassigned Fund Balance	33,227,614	33,227,614	0	0.00%
<u>Revenue</u>				
<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%
Total General Fund Revenue	109,927,644	110,159,388	231,744	0.21%
<u>Expense</u>				
<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%)
Total General Fund Expense	127,626,086	117,631,597	(9,994,489)	(7.83%)
<i>Additional Impacts (Moved from Assigned/Committed)</i>	9,453,597	7,612,995	(1,840,602)	(19.47%)
2026 Unassigned Fund Balance	24,982,769	33,368,400	8,385,631	



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	-
Total Additional Impacts	9,453,597	7,612,995

- 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
<u>Revenue</u>					
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
Total General Fund Revenue	112,954,106	110,159,388	106,402,673	107,410,403	108,429,193
<u>Expense</u>					
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
Total General Fund Expenses	117,216,654	117,631,597	118,137,817	121,619,221	121,806,853
<u>Additional Impacts</u>					
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
Total Additional Impacts	4,347,356	7,612,995	5,569,195	1,519,195	39,974
Unassigned Fund Balance	33,227,614	33,368,400	27,202,451	14,512,828	1,175,142
Days of Unassigned Fund Balance	103	100	81	43	4
Change in Unassigned Fund Balance	84,808	140,786	-6,165,949	-12,689,623	-13,337,686
Adjustment Required to Maintain 100 days	0.0%	0.1%	8.6%	25.9%	43.8%



Revenue Projections

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

- 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
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

- 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
<i>Subsidy</i>	13,438,243	16,131,111	16,845,195	17,233,013	17,642,341

- 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
<i>Capital</i>	7,221,434	5,760,924	5,866,704	4,895,729	4,684,685
<i>Assigned Fund Balance (County Grant Program)</i>	(1,609,996)	(498,000)	(1,650,000)	0	0
<i>Other Revenue (Grants, Farmland, SBITA)</i>	(3,406,514)	(2,264,869)	(21,489)	(21,489)	(21,489)
<i>Adjusted Capital</i>	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
<u>Additional Impacts</u>					
<i>Indirect Cost Offset</i>	528,300	528,300	528,300	0	0
<i>County Grant Program (County Allocation)</i>	3,819,056	1,084,695	1,686,695	1,519,195	39,974
<i>Fund Balance Management</i>	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
Unassigned Fund Balance	33,227,614	33,368,400	27,202,451	14,512,828	1,175,142
<i>Days of Unassigned Fund Balance</i>	<i>103</i>	<i>100</i>	<i>81</i>	<i>43</i>	<i>4</i>
Change in Unassigned Fund Balance	84,808	140,786	-6,165,949	-12,689,623	-13,337,686
<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

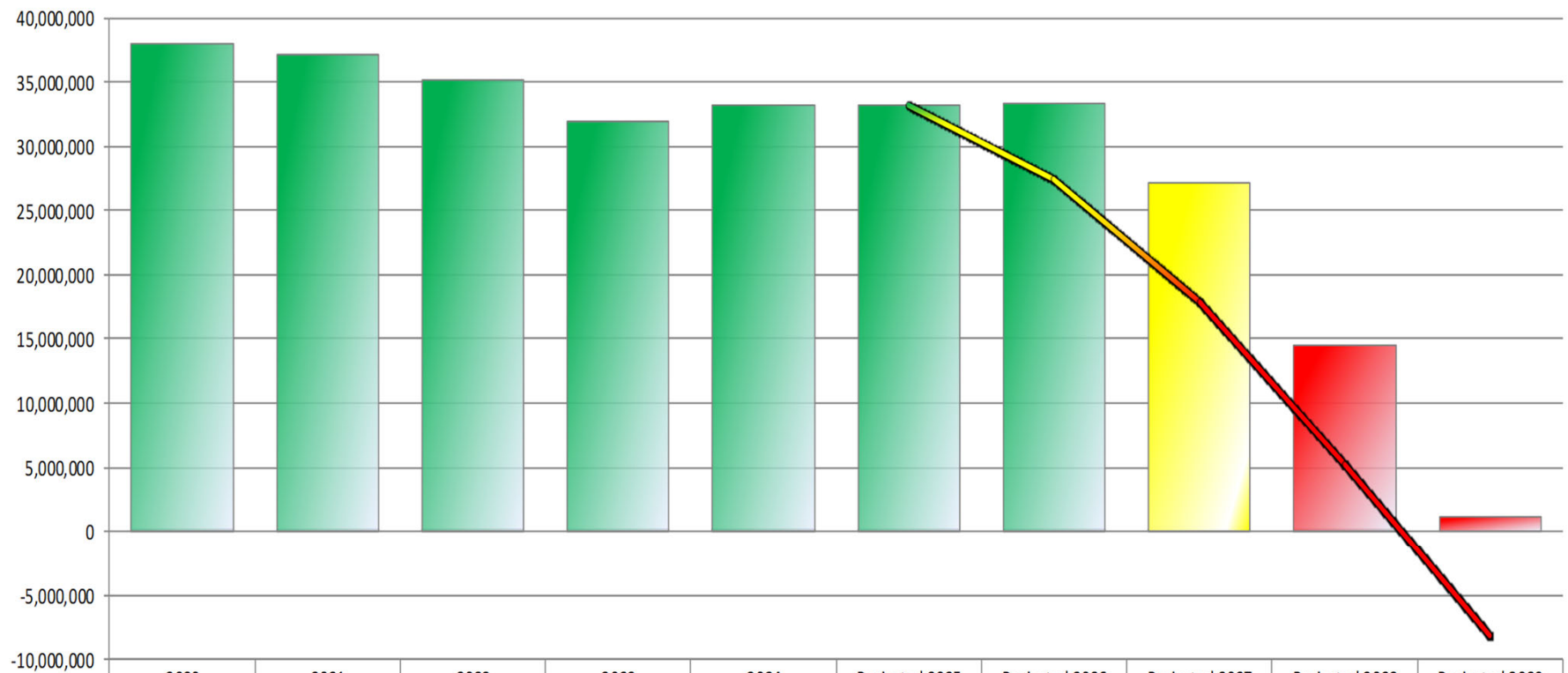
	Projected 2025	0.0% Projected 2026	0.0% Projected 2027	0.0% Projected 2028	0.0% Projected 2029
Unassigned Fund Balance	33,227,614	27,368,400	17,848,251	5,158,628	(8,179,058)
<i>Days of Unassigned Fund Balance</i>	103	82	53	15	-24
Change in Unassigned Fund Balance	84,808	-5,859,214	-9,520,149	-12,689,623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

- 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

Unassigned Fund Balance



	2020	2021	2022	2023	2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Unassigned Fund Balance	37,974,806	37,101,059	35,100,925	31,885,210	33,142,806	33,227,614	33,368,400	27,202,451	14,512,828	1,175,142
Number of Days	141	140	131	110	102	103	100	81	43	4
W/O Fund Balance Management						33,227,614	27,368,400	17,848,251	5,158,628	-8,179,058
Number of Days W/O FBM						103	82	53	15	-24



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
Unassigned Fund Balance		33,227,614	33,596,268	33,729,265	34,303,073	34,323,993
Days of Unassigned Fund Balance		103	100	101	103	103

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
Unassigned Fund Balance		33,227,614	35,330,475	33,835,310	33,850,889	33,453,626
Days of Unassigned Fund Balance		103	106	101	101	100

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
Unassigned Fund Balance		33,227,614	33,368,400	33,709,195	33,560,730	33,753,727
Days of Unassigned Fund Balance		103	100	101	100	101

* 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 22nd – Finance Meeting, if needed
- October 29th – Finance Meeting, if needed
- November 5th – 2026 Budget on view
- December 3rd – 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

