

TO: QVCOG Board of Directors
 FR: Susan Hockenberry, Executive Director
 RE: 2020 Budget
 September 12, 2019

The Supervisory Committee met on August 21 and September 4 and reviewed the 2020 Draft Budget, attached.

1. 2019 Budget benefited from increases in income from fees for service and utilization fees as well as cost-cutting. 2020 continues the positive momentum by continuing fee for services, utilization fees, and grant seeking. The COG should not abandon its shift towards a sustainable business model. Dependence on outside sources of funds (grants) and fee for services, and utilization fees means that a drop in any one of those sources, the COG faces financial unpredictability. As such, the Supervisory Committee is recommending an adjustment of the dues structure as follows. This table also presents dues history, and a comparison estimate of dues based upon a sample formula.

Municipality	2016 Dues	Dues Set in 2017	10% increase	Proposed 2020 Dues	2016 Estimate Based on Population (30%) and Assessed Value (70%) with a base of \$1000 per muni
Aleppo	1650	3300	330	3630	3502
Avalon	2200	4400	440	4840	5171
Bell Acres	1650	3300	330	3630	3889
Bellevue	2200	4400	440	4840	8278
Ben Avon	1650	3300	330	3630	3325
Edgeworth	1650	3300	330	3630	6287
Emsworth	1650	3300	330	3630	3501
Glenfield	1100	1100	110	1210	1211
Glen Osborne	1100	2200	220	2420	2135
Haysville	1100	1100	110	1210	1087
Kilbuck	1100	2200	220	2420	2098
Leet	1650	3300	330	3630	3104
Leetsdale	1650	3300	330	3630	3248
Sewickley Heights		2200	220	2420	
TOTAL	22550	40700	4070	44770	46836

The Budget Provides for continuation of QVCOG programs:

- CDBG Program Administration- the program has a dedicated funding stream that must be used for CDBG administration and project management.
 - Financial Administration Services, Zoning Technical Assistance, Proactive Code Enforcement-these program are fee for services program and generate income after expenses for the QVCOG of approximately \$10 per hour.
 - QVCOG-wide GIS-this program provides QVCOG-wide GIS licenses and technical assistance services to members on a subscription basis. It is also partially funded by dues.
 - Route 65 Corridor Project- this is a grant funded project developing the QVCOG regions ability to handle the pros and cons of the highway corridor. It focuses on economic development, community design, transportation & technology, and regional governance.
 - Regional Administration and Convening: including Managers & Secretaries Committee, Public Works Roundtable, Recycling Committee, Grant-seeking, Greenlight Go and SINC grant administration, Allegheny Places Planning Grant Administration, Municipal Solar Initiative program development, Document Digitization program development, Annual Dinner and other programs of assistance to the members. These general operations of the QVCOG are funded with dues, utilization fees on grants managed by the QVCOG, and events.
3. Staffing remains the same with Janet Wenger serving as CDBG Coordinator and Susan Hockenberry as Executive Director. Additionally the COG retains 3 contracted employees within the Financial Administration Services, Zoning Technical Assistance, and Proactive Code Enforcement Programs. The budget also provides funds for a student intern position.
4. Fiscal position: The QVCOG experienced a long period of use of Fund Balance.

Year	General Fund Balance	Increase/ (Decrease)
2010	98,580.00	
2011	96,032.00	(2,548.00)
2012	120,205.00	24,173.00
2013	207,656.00	87,451.00
2014	168,083.00	(39,573.00)
2015	146,893.00	(21,190.00)
2015	140,162.00	(6,731.00)
2016	125,760.00	(14,402.00)
2017	117,336.00	(8,424.00)
*2018	119,262.00	1,926.00
*2019	151,605.00	32,343.00

It is currently gaining in its financial wherewithal. However, uncertainty of outside grant sources slows this progress. For example, as of September 12, 2019 the QVCOG is still waiting on grant receipts for the current year and should those funds not be received it will meet the required By-laws required fund balance levels of 50% of prior years expense by a slim margin. QVCOG Delegates demonstrated financial responsibility in setting this requirement in the By-Laws. Sustained effort to continue that course remains needed.

Fund Balance Estimate		without 2019 grant	with 2019 grant
12-31-2016	Equity	125,760.00	125,760.00
12/31/2017	Inc/(Dec)	(8,424.00)	(8,424.00)
12/31/2018	Inc/(Dec)	1,926.00	1,926.00
01/01/2019		119,262.00	119,262.00
2019	Inc/(Dec)	2,343.00	32,343.00
2019	Year End	121,605.00	151,605.00
	remainder MAP	(3,350.00)	(3,350.00)
	RAD Reserve	(9,827.00)	(9,827.00)
	Recycling Reserve	(7,475.00)	(7,475.00)
	Reserved for 65 Project		(30,000.00)
2019	Est. Unreserved	100,953.00	100,953.00
2020	Inc/(Dec)	9,460.00	9,460.00
2020	Year End	131,065.00	161,065.00
2020	Year End	131,065.00	161,065.00
	Est. RAD Reserve	(18,000.00)	(18,000.00)
	Est Recycling Reserve	(11,000.00)	(11,000.00)
	Est Reserve future grant (2020 budget)	(20,000.00)	(20,000.00)
	Undesignated	82,065.00	112,065.00

Please contact me if I may provide further information or assistance.

General Fund	2019 budget	7-31-2019	12-31-2019	2020 budget	2020 vs 2019 budget	% change 2019-2020 Budget	2020 bud vs 2019 est actual \$
Revenue							
4001101 Membership Dues	40,700.00	40,700.00	40,700.00	44,770.00	4,070.00	10%	4,070.00
4002101 Project Management	49,000.00	22,647.00	45,000.00	44,000.00	-5,000.00	-10%	-1,000.00
4003101 Interest Income & Insurance Dividend	25.00	6.00	41.00	25.00	0.00	0%	-16.00
4004101 Bid Documents	500.00	1,375.00	1,375.00	0.00	-500.00	-100%	-1,375.00
4005101 Grant Revenues	30,000.00	970.00	30,970.00	20,000.00	-10,000.00	-33%	-10,970.00
4005102 General Funds CDBG	7,500.00	0.00	7,500.00	7,500.00	0.00	0%	0.00
4006101 Annual Dinner	6,000.00	0.00	7,500.00	6,000.00	0.00	0%	-1,500.00
4006102 Recycling Income	12,500.00	13,418.00	13,481.00	13,418.00	918.00	7%	-63.00
4006103 Utilization Fee	13,000.00	9,125.00	15,960.00	14,400.00	1,400.00	11%	-1,560.00
4006104 Associate Members	5,000.00		2,500.00	2,500.00	-2,500.00	-50%	0.00
4007101 Regional Asset Tax	5,000.00	14,827.00	14,827.00	5,000.00	0.00	0%	-9,827.00
4008101 Commission/Dividends	200.00	312.00	312.00	200.00	0.00	0%	-112.00
4012102 Advertising Reimbursement					0.00	#DIV/0!	0.00
Program Fees					0.00	#DIV/0!	0.00
4006108 Program Revenue	15,700.00	21,126.00	28,600.00	18,200.00	2,500.00	16%	-10,400.00
Sales							
Total Revenue	\$ 185,125.00	\$ 124,506.00	\$ 208,766.00	\$ 176,013.00	-\$ 9,112.00	-5%	-32,753.00
Gross Profit	\$ 185,125.00	\$ 124,506.00	\$ 208,766.00	\$ 176,013.00	-\$ 9,112.00	-5%	-32,753.00
Expenditures							
6001000 Advertising							
6001102 Advertising - General	500.00	-174.00	500.00	500.00	0.00	0%	0.00
6006101 Advertising - CD					0.00		0.00
Total 6001000 Advertising	\$ 500.00	-\$ 174.00	\$ 500.00	\$ 500.00	\$ 0.00	0%	399.00
6001101 Administration Payroll							
6001099 Executive Director Salary	72,000.00	38,000.00	62,000.00	57,600.00	-14,400.00	-20%	-4,400.00
6001100 Administrative Assistant Salary	25,600.00	17,261.00	32,000.00	33,000.00	7,400.00	29%	1,000.00
6001107 6001101 Employee Payroll	9,200.00	4,971.00	9,200.00	9,200.00	0.00	0%	0.00
6001108 Employer Deferred Compensation	5,040.00	1,933.00	1,600.00	1,650.00	-3,390.00	-67%	50.00
6003103 Workmen's Comp. Insurance	700.00	0.00	400.00	700.00	0.00	0%	300.00
Total 6001101 Administration Payroll	\$ 112,540.00	\$ 62,165.00	\$ 105,200.00	\$ 102,150.00	-\$ 10,390.00	-9%	-3,050.00
6002110 Employer Paid Taxes						#DIV/0!	0.00
6002102 Payroll Taxes	8,170.20	2,618.00	3,665.00	3,000.00	-5,170.20	-63%	-665.00

General Fund	2019 budget	7-31-2019	12-31-2019	2020 budget	2020 vs 2019 budget	% change 2019-2020 Budget	2020 bud vs 2019 est actual \$
6002104 Unemployment Compensation Tax	1,960.00	1,670.00	1,960.00	1,960.00	0.00	0%	0.00
						#DIV/0!	0.00
Total 6002110 Employer Paid Taxes	\$ 10,130.20	\$ 4,288.00	\$ 5,625.00	\$ 4,960.00	-\$ 5,170.20	-51%	-665.00
6004101 Travel Expense	300.00	39.00	100.00	100.00	-200.00	-67%	0.00
6008101 Office Supplies & Maintenance	4,000.00	2,603.00	4,000.00	2,980.00	-1,020.00	-26%	-1,020.00
6008102 Dues, Memberships, Subscriptions	3,600.00	852.00	3,600.00	2,600.00	-1,000.00	-28%	-1,000.00
6008103 Miscellaneous Expenditures	300.00	0.00	300.00	300.00	0.00	0%	0.00
6008104 Recycling	12,500.00	9,470.00	9,470.00	8,800.00	-3,700.00		-670.00
6008106 MS4 Stormwater	500.00		0.00	0.00	-500.00	-125%	0.00
6008107 Meeting Meals	300.00	36.00	300.00	300.00	0.00	0%	0.00
6010100 Bank Fees	500.00	177.00	300.00	300.00	-200.00	-74%	0.00
6010101 Legal and Accounting	5,000.00	1,475.00	5,000.00	5,000.00	0.00	0%	0.00
6012101 Phone and Internet Expense	2,184.00	1,597.00	2,886.00	3,000.00	816.00	37%	114.00
6013101 Annual Dinner Expense	5,700.00	250.00	4,600.00	4,600.00	-1,100.00	-19%	0.00
6014101 Insurance Expense	1,960.00		2,125.00	2,125.00	165.00	8%	0.00
6016101 Office Rent Expense	6,640.50	4,235.00	7,260.00	7,260.00	619.50	9%	0.00
6016102 Utilities Expense	1,980.00	0.00	0.00	0.00	-1,980.00	-100%	0.00
6016103 Data Processing	15,211.00	12,649.00	21,000.00	17,798.00	2,587.00	17%	-3,202.00
6017101 Conference & Meetings	279.30	106.00	280.00	280.00	0.70	0%	0.00
6019101 SHACOG Joint Purchasing	1,000.00		1,000.00	1,000.00	0.00	0%	0.00
6017104 Purchases for Resale		2,877.00	2,877.00	2,500.00	0.00		0.00
Total Expenditures	\$ 185,125.00	\$ 102,645.00	\$ 176,423.00	\$ 166,553.00	-\$ 21,072.00	-11%	-\$ 9,094.00
Net Operating Revenue	\$ 0.00	\$ 21,861.00	\$ 32,343.00	\$ 9,460.00	\$ 11,960.00		-\$ 23,659.00
Net Revenue	\$ 0.00	\$ 21,861.00	\$ 32,343.00	\$ 9,460.00	\$ 11,960.00		-\$ 23,659.00
Total expenditures				166,553.00			
ACED Project Management				44,000.00			
Utilization Fee				14,400.00			
less Recycling				8,800.00			
less RAD Reserve				9,000.00			
Net QVCOG Budget				90,353.00			

General Fund	2019 budget	7-31-2019	12-31-2019	2020 budget	2020 vs 2019 budget	% change 2019-2020 Budget	2020 bud vs 2019 est actual \$
At recommended 60%				54,211.80			
Difference between recommended and current				9,441.80			