

**2018 Budget – KEY FINANCIAL HIGHLIGHTS**

- No proposed millage increase in the Real Estate Tax for 2018 – 8<sup>th</sup> consecutive year with no tax increase (last increase 2010). *Millage rate 2.0 mills.*
- No proposed increase in Sewer/Trash fees for 2018. *Sewer \$65/qtr; Trash \$85/qtr.*
- The General Fund is currently proposing a \$108,962 surplus.
- No increase proposed for Medical Insurance premiums.
- Salary and wage increase 3%.
- Professional and Legal Services are proposed to increase due to Sunoco Litigation and Pipeline Safety Plan.
- Signs Materials proposed to increase for stop sign intersection improvements.
- New for 2018 – Historical Commission expenses.
- Parks Major Capital expenditures are proposed in the Capital Reserve Fund Budget for 2018.
- Major Capital purchases are proposed to decrease by \$190,757 from the previous year.
- An update to the Township’s Comprehensive Plan (\$37,500) is proposed for 2018 - a County Grant (\$25,000) is proposed to offset this expenditure. *This is a carryover from 2017.*
- Proactive approach to infrastructure reconstruction. *Grubbs Mill Road pipe culvert replacement (\$450,000); Shop Rite Town Center intersection safety improvements (\$25,000); Growing Greener Watershed Basin Retrofit (\$626,000) – a Growing Greener Watershed Grant (\$62,000) is proposed to offset this expenditure; and Route 3 adaptive signal controls (\$110,000) – a Green Light Go Grant (\$55,000) is proposed to offset this expenditure.*
- Increase for Rent to Authority based on the 2017 Sewer Revenue Bond amortization schedule.
- Continued focus on collecting the Township’s delinquent Sewer/Trash receivables.

2018 BUDGET								
ALL FUNDS SUMMARY								
	BEGINNING						ENDING	
FUND	FUND						FUND	SURPLUS/
	BALANCE	+	REVENUE	-	EXPENDITURES	=	BALANCE	(DEFICIT)
GENERAL FUND	\$10,343,526		\$15,998,583		\$15,889,621		\$10,452,488	\$108,962
SEWER FUND	4,720,945		4,701,285		4,912,606		\$4,509,624	(\$211,321)
WASTE & RECYCLING FUND	2,302,077		2,235,580		2,295,868		\$2,241,789	(\$60,288)
CAPITAL RESERVE FUND	4,613,022		884,090		2,013,590		\$3,483,522	(\$1,129,500)
STATE HIGHWAY FUND	40,384		717,416		750,000		\$7,800	(\$32,584)
SUBTOTAL	\$22,019,954		\$24,536,954		\$25,861,685		\$20,695,223	(\$1,324,731)
TRANSFER BETWEEN FUNDS	0		(566,590)		(566,590)		\$0	\$0
TOTAL	\$22,019,954		\$23,970,364		\$25,295,095		\$20,695,223	(\$1,324,731)

*This chart shows all Township funds subject to the annual appropriation process.*

### Salaries and Wages

General Fund salaries are proposed to increase \$111,689 (1.7%).

Sewer Fund salaries are proposed to increase \$13,456 (1.0%).

Waste and Recycling salaries are proposed to increase \$2,297 (3.3%).

### Employee Insurance

General Fund employee insurance is proposed to decrease \$46,054 (-2.3%).

Sewer Fund employee insurance is proposed to decrease \$18,996 (-3.2%).

Waste and Recycling insurance is proposed to decrease \$1,532 (-5.1%).

2018 BUDGET				
MAJOR EXPENDITURES IN EXCESS OF \$250,000 (ALL FUNDS)				
			\$ CHANGE	% CHANGE
	2017	2018	FROM	FROM
	BUDGET	BUDGET	2017 BUDGET	2017 BUDGET
SALARIES & OVERTIME	\$8,008,901	\$8,128,342	\$119,441	1.49%
FICA & MED TAX	391,715	396,092	\$4,377	1.12%
EMPLOYEE INSURANCE	2,651,644	2,585,062	(\$66,582)	-2.51%
PENSION - MMO	822,323	850,906	\$28,583	3.48%
WORKERS' COMP	300,400	300,211	(\$189)	-0.06%
MATERIALS-SIGNS, ROADS, PARKS	2,328,200	2,587,500	\$259,300	11.14%
SLUDGE REMOVAL	220,000	250,000	\$30,000	13.64%
LEGAL/PROFESSIONAL SERVICES	356,200	463,500	\$107,300	30.12%
PROPERTY & LIABILITY INSURANCE	437,942	433,346	(\$4,596)	-1.05%
UTILITIES	561,556	562,741	\$1,185	0.21%
CONTRACTED COLLECTION & DISP	1,512,333	1,557,715	\$45,382	3.00%
TIPPING FEES	500,000	500,000	\$0	0.00%
FACILITY REPAIR & MAINT	377,750	431,100	\$53,350	14.12%
SEWER PLANT MAINTENANCE	230,000	230,000	\$0	0.00%
VOLUNTEER FIRE CONTRIBUTIONS	366,500	366,500	\$0	0.00%
RENT TO AUTHORITY	475,000	639,098	\$164,098	34.55%
DEBT-PRINCIPAL CONSOL LOAN	414,000	426,000	\$12,000	2.90%
MAJOR CAPITAL EQUIPMENT	1,215,407	1,024,650	(\$190,757)	-15.69%
TOTAL MAJOR EXPENDITURES	\$21,169,871	\$21,732,763	\$562,892	
% OF TOTAL EXPENDITURES	86.10%	85.92%		
TOTAL EXPENDITURES LESS				
INTERFUND TRANSFERS	\$24,586,980	\$25,295,095		

October 11, 2017

GENERAL FUND SUMMARY

2018 BUDGET					
GENERAL FUND					
REVENUE SUMMARY BY MAJOR CATEGORY					
			%	\$	%
			Of Total	CHANGE	CHANGE
REVENUES	2017	2018	2018	FROM	FROM
	BUDGET	BUDGET	REVENUES	BUDGET	BUDGET
REAL ESTATE TAXES	\$3,583,000	\$3,583,000	22.4%	\$0	0.00%
TRANSFER TAXES	889,575	911,000	5.7%	\$21,425	2.41%
EARNED INCOME TAXES	7,650,750	8,106,930	50.7%	\$456,180	5.96%
LOCAL SERVICES TAXES	1,050,000	1,113,141	7.0%	\$63,141	6.01%
LICENSES AND PERMITS	548,105	553,991	3.5%	\$5,886	1.07%
FINES & FORFEITS	170,000	175,000	1.1%	\$5,000	2.94%
INTEREST AND RENTS	61,202	97,516	0.6%	\$36,314	59.33%
INTERGOVERNMENTAL REVENUE	673,251	689,500	4.3%	\$16,249	2.41%
CHARGES FOR SERVICES	838,720	744,725	4.7%	(\$93,995)	-11.21%
MISC REVENUE	23,480	23,780	0.1%	\$300	1.28%
<b>TOTAL REVENUES</b>	<b>\$15,488,083</b>	<b>\$15,998,583</b>	<b>100.0%</b>	<b>\$510,500</b>	<b>3.30%</b>

The proposed 2018 General Fund Budget projects a budgetary surplus of approximately \$108,962 with an ending fund balance of approximately \$10,452,488.

**GENERAL FUND REVENUES**

- The Budget 2018 General Fund Revenues are proposed to increase \$510,500 (3.30%) compared to Budget 2017.
  - Moderate growth is proposed in the major revenue categories of Earned Income Taxes, Local Services Taxes, and Interest and Rents.
  - Negligible growth is proposed for the revenue categories Transfer Taxes, Licenses and Permits, Intergovernmental Revenue, and Misc Revenue.
  - Negative growth is proposed for the revenue category of Charges for Services.
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- No change in Real Estate Taxes due to an offset of negligible growth versus reassessments.
  - The increase for Interest and Rents is due to an interest rate increase on all bank accounts.
  - The increase for Intergovernmental Revenues is due primarily to a 4.88% increase in the Act 205 State Aid Unit Value.
  - The decrease for Charges for Services is primarily due to an anticipated decrease in Building Permits.

2018 BUDGET					
GENERAL FUND					
EXPENDITURE SUMMARY BY FUNCTION					
			%	\$	%
			Of Total	CHANGE	CHANGE
	2017	2018	2018	FROM	FROM
EXPENDITURES	BUDGET	BUDGET	EXPEND.	BUDGET	BUDGET
ADMINISTRATION	\$1,541,300	\$1,825,115	11.5%	\$283,815	18.41%
AUDITING & TAX COLLECTION	187,609	203,741	1.3%	\$16,132	8.60%
LEGAL & ENGINEERING	321,168	420,291	2.6%	\$99,123	30.86%
BUILDING	333,532	411,649	2.6%	\$78,117	23.42%
POLICE	6,188,323	6,304,650	39.7%	\$116,327	1.88%
FIRE PROTECTION	813,034	797,625	5.0%	(\$15,409)	-1.90%
CODE ENFORCEMENT	297,775	302,332	1.9%	\$4,557	1.53%
PLANNING & ZONING	29,780	29,780	0.2%	\$0	0.00%
PUBLIC WORKS	3,339,968	3,162,578	19.9%	(\$177,390)	-5.31%
RECREATION	346,030	354,942	2.2%	\$8,912	2.58%
PARKS	1,338,651	1,338,326	8.4%	(\$325)	-0.02%
LIBRARIES	20,000	20,000	0.1%	\$0	0.00%
OPERATING TRANSFERS	714,009	718,592	4.5%	\$4,583	0.64%
TOTAL EXPENDITURES	\$15,471,179	\$15,889,621	100.0%	\$418,442	2.70%

### GENERAL FUND EXPENDITURES

- The Budget 2018 General Fund Expenditures are proposed to increase \$418,442 (+2.70%) as compared to Budget 2017.
- 1.7% salary increase, net increase \$111,689.
- Continuation of non-uniformed salary compensation program effective 2016.
- Employee insurance decrease (-2.3%), net decrease \$46,054.
- Pension cost increase per MMO (4.0%), net increase \$27,291.
- Professional and Legal Services proposed to increase due to Sunoco Litigation (\$100,000) and Pipeline Safety Plan (\$50,000).
- Historical Commission expenses proposed \$5,000 – new for 2018.
- The General Fund portion of Road construction paving is proposed to decrease by \$175,000.
- Building Repairs and Maintenance proposed to increase (30.0%), net increase \$66,250.
- Signs Materials proposed to increase for stop sign intersection improvements, net increase \$30,000.
- Major Capital proposed for 2018: Administration: Control panel for the Police Department, Generator replacement, and replacement Pool vehicle; Police: Dispatch room remodel, 2 patrol SUV's, 1 interceptor truck, Voice recorder server and software, Vehicle garage security gates, and License plate recognition system; Roads: Asphalt roller, and 2 truck replacements, net decrease \$76,757.
- Vehicle Gas and Oil is proposed to increase \$16,900 (15.3%).

## **SEWER FUND SUMMARY**

The proposed 2018 Sewer Fund Budget projects a budgetary deficit of approximately \$211,321 with an ending fund balance of approximately \$4,509,624.

- Total revenues are proposed to decrease \$269,515 over the 2017 Budget. This decrease is primarily due to decreased charges to the Other Municipalities.
- Total expenditures are proposed to decrease \$52,250 over the 2017 Budget.

Budget changes include:

- 1.0% salary and wage increases. *Net increase -\$13,456.*
- Employee insurance decrease. *Net decrease -\$18,996.*
- Tuition reimbursement decrease. *Net decrease -\$5,000.*
- Property liability insurance decrease. *Net decrease -\$36,964.*
- Miscellaneous Employee Benefits increase for Eyewash and First Aid Program, *net increase +\$6,000.*
- Chemicals increase, *net increase +\$22,000.*
- Rent to Authority increase, *net increase +\$164,098.*
- Major Capital proposed for 2018 - Gator and trailer replacements. *Net decrease -\$259,700.*

## **WASTE & RECYCLING FUND SUMMARY**

The proposed 2018 Waste & Recycling Fund Budget projects a budgetary deficit of approximately \$60,288 with an ending fund balance of approximately \$2,241,789.

- Total revenues are proposed to increase \$15,255 over the 2017 Budget. This increase is primarily due to an increase in Interest Earnings.
- Total expenditures are proposed to increase \$55,923 over the 2017 Budget.

Budget changes include:

- 3.3% salary and wage increases. *Net increase +\$2,297.*
- Employee insurance decrease. *Net decrease -\$1,532.*
- Contracted collection & disposal increase primarily due to the 2<sup>nd</sup> year of the 3-year trash contract. *Net increase +\$45,382.*
- Other Recycling expense increase. This increase is primarily due to an increase in re-stocking of recycling buckets and the carryover installation costs of bus stop toters. *Net increase +\$10,000.*

## **STATE HIGHWAY FUND SUMMARY**

The State Grant is the remittance of an allocation from PennDOT to help defray the cost of paving roads in the Township per Act 655. Revenue to support this Act is based on the State's Motor License Fund taxes. The allocation is based on mileage of Township roads (88.28) and population (21,866).

The proposed Grant for 2018 is \$716,116, an increase of \$35,237 over the 2017 Budget.

The 2018 Budget is proposing to pave 5.06 miles of roads at \$227,272.72 per mile – total project cost approximately \$1,000,000. The State Highway Fund is proposing to expend \$750,000 toward the project, an increase of \$25,000, with the balance being expended out of the General Fund (\$250,000).

## **CAPITAL RESERVE FUND SUMMARY**

The proposed 2018 Capital Reserve Fund Budget projects a budgetary deficit of approximately \$1,129,500 with an ending fund balance of approximately \$3,483,522.

Revenues for this Fund primarily are from Transfers from the General Fund for future capital projects and debt service; Transfers from Restricted Parks Fund for Parks major capital, and Grants.

Budget proposals for 2018:

- Update to the Township's Comprehensive Plan – *County Grant offset \$25,000*. \$45,000.
- Grubbs Mill Road pipe culvert – carryover from 2017. \$450,000
- Shop Rite/Rte 3 Intersection safety improvements. \$25,000.
- Growing Greener Watershed Basin retrofit – *Growing Greener Watershed Grant offset \$62,000*. \$626,000.
- Route 3 adaptive signal controls - carryover from 2017, *Green Light Go Grant offset \$55,000*. \$110,000.
- Traffic Signal battery backups. \$30,000.
- Traffic Study signal retiming. \$21,000
- Major Capital proposed for 2018 – reimbursed by Transfer from Restricted Parks: a riding mower, Gator, 5-ton trailer, chipper bandit, baseball infield groomer, tractor/mower, movie projector, gazebo for Cloud Park, gazebo for Hamlet Park, and a rock climbing wall for Barker Park. \$147,500.
- Debt service – reimbursed by Transfer from General Fund. \$566,590.