

2019 Budget – KEY FINANCIAL HIGHLIGHTS

- No proposed millage increase in the Real Estate Tax for 2019 – 9th consecutive year with no tax increase (last increase 2010). *Millage rate 2.0 mills.*
- Sewer fees are proposed to increase for 2019. *Sewer \$105/qtr (61.5%)*
- Trash fees are proposed to remain the same for 2019. *Trash \$85/qtr (no change).*
- The 2019 General Fund Budget is currently proposing a \$2,119,924 deficit.
- Proposed Medical Insurance premiums increase 1.5%.
- Salary and wage increase 10.4%.
- Additional Personnel Requests: Police – 2 new officers, dispatch weekend coverage; Finance – 1 accountant, 1 intern; Administration – 1 intern; Roads – 1 mechanic, 2 laborers; Sewer – 1 part-time lab technician.
- Pension Benefit enhancement to amend the benefit formula per year of service to be increased from 1.50% to 2.00% with an employee contribution of 2.00%
- Legal Services are proposed to decrease - Sunoco Litigation concluded in 2018.
- New for 2019 – New plan for digital township newsletter.
- Proposed capital contribution to Good Fellowship (\$67,000).
- West Chester Fire contract proposed to increase to \$345,000 per year.
- Major Capital expenditures across all departments are proposed in the Capital Reserve Fund Budget for 2019.
- Major Capital purchases are proposed to increase by \$780,419 from the previous year.
- Balance for the Township’s Comprehensive Plan (\$4,500) is proposed for 2019 - a County Grant (\$25,000) is proposed to offset this expenditure. *This is a partial carryover from 2018.*
- Proactive approach to infrastructure reconstruction. *Growing Greener Watershed Basin Retrofit (\$80,000); and Route 3 adaptive signal controls (\$110,000).*
- Continued focus on collecting the Township’s delinquent Sewer/Trash receivables.
- Transfer to Capital Reserve for proposed Major Capital expenditures (\$2,000,000).

2019 BUDGET							
ALL FUNDS SUMMARY							
FUND	BEGINNING					ENDING	
	FUND					FUND	SURPLUS/
	BALANCE	+	REVENUE	-	EXPENDITURES	=	BALANCE (DEFICIT)
GENERAL FUND	\$12,191,376		\$16,141,315		\$18,261,239		\$10,071,452 (\$2,119,924)
SEWER FUND	4,918,562		6,552,044		5,984,990		\$5,485,616 \$567,054
WASTE & RECYCLING FUND	2,266,822		2,257,855		2,454,567		\$2,070,110 (\$196,712)
CAPITAL RESERVE FUND	4,267,111		3,138,425		2,442,955		\$4,962,581 \$695,470
STATE HIGHWAY FUND	18,066		727,220		725,000		\$20,286 \$2,220
SUBTOTAL	\$23,661,937		\$28,816,859		\$29,868,751		\$22,610,045 (\$1,051,892)
TRANSFER BETWEEN FUNDS	0		(2,567,386)		(2,567,386)		\$0 \$0
TOTAL	\$23,661,937		\$26,249,473		\$27,301,365		\$22,610,045 (\$1,051,892)

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

Salaries and Wages

General Fund salaries are proposed to increase \$720,807 (10.8%).

Sewer Fund salaries are proposed to increase \$127,350 (9.0%).

Waste and Recycling salaries are proposed to increase \$2,546 (3.5%).

Employee Insurance

General Fund employee insurance is proposed to increase \$241,852 (12.3%).

Sewer Fund employee insurance is proposed to increase \$51,862 (9.1%).

Waste and Recycling insurance is proposed to increase \$299 (1.0%).

2019 BUDGET				
MAJOR EXPENDITURES IN EXCESS OF \$250,000 (ALL FUNDS)				
	2018	2019	\$ CHANGE	% CHANGE
	BUDGET	BUDGET	FROM	FROM
			2018 BUDGET	2018 BUDGET
SALARIES & OVERTIME	\$8,172,215	\$9,022,918	\$850,703	10.41%
FICA & MED TAX	399,877	434,634	\$34,757	8.69%
EMPLOYEE INSURANCE	2,571,225	2,865,238	\$294,013	11.43%
PENSION - MMO	850,906	904,296	\$53,390	6.27%
WORKERS' COMP	300,211	277,362	(\$22,849)	-7.61%
MATERIALS-SIGNS, ROADS, PARKS	2,587,500	1,595,400	(\$992,100)	-38.34%
SLUDGE REMOVAL	250,000	290,000	\$40,000	16.00%
LEGAL/PROFESSIONAL SERVICES	463,500	352,100	(\$111,400)	-24.03%
PROPERTY & LIABILITY INSURANCE	433,346	465,249	\$31,903	7.36%
UTILITIES	562,741	583,235	\$20,494	3.64%
CONTRACTED COLLECTION & DISP	1,557,715	1,603,102	\$45,387	2.91%
TIPPING FEES	500,000	500,000	\$0	0.00%
FACILITY REPAIR & MAINT	431,100	439,982	\$8,882	2.06%
SEWER PLANT MAINTENANCE	230,000	230,000	\$0	0.00%
MUNICIPAL COMPLEX	-	600,000	\$600,000	
VOLUNTEER FIRE CONTRIBUTIONS	366,500	471,500	\$105,000	28.65%
RENT TO AUTHORITY	639,098	1,244,775	\$605,677	94.77%
DEBT-PRINCIPAL CONSOL LOAN	426,000	439,000	\$13,000	3.05%
MAJOR CAPITAL EQUIPMENT	1,009,650	1,190,069	\$180,419	17.87%
TOTAL MAJOR EXPENDITURES	\$21,751,584	\$23,508,860	\$1,757,276	
% OF TOTAL EXPENDITURES	88.47%	86.11%		
TOTAL EXPENDITURES LESS				
INTERFUND TRANSFERS	\$24,586,980	\$27,301,365		

GENERAL FUND SUMMARY

2019 BUDGET					
GENERAL FUND					
REVENUE SUMMARY BY MAJOR CATEGORY					
			%	\$	%
			Of Total	CHANGE	CHANGE
REVENUES	2018	2019	2018	FROM	FROM
	BUDGET	BUDGET	REVENUES	BUDGET	BUDGET
REAL ESTATE TAXES	\$3,658,000	\$3,654,948	22.6%	(\$3,052)	-0.08%
TRANSFER TAXES	911,000	879,675	5.4%	(\$31,325)	-3.44%
EARNED INCOME TAXES	8,106,930	8,293,365	51.4%	\$186,435	2.30%
LOCAL SERVICES TAXES	1,113,141	1,163,190	7.2%	\$50,049	4.50%
LICENSES AND PERMITS	553,991	507,475	3.1%	(\$46,516)	-8.40%
FINES & FORFEITS	175,000	155,000	1.0%	(\$20,000)	-11.43%
INTEREST AND RENTS	97,516	144,523	0.9%	\$47,007	48.20%
INTERGOVERNMENTAL REVENUE	689,500	691,309	4.3%	\$1,809	0.26%
CHARGES FOR SERVICES	744,725	618,700	3.8%	(\$126,025)	-16.92%
MISC REVENUE	23,780	33,130	0.2%	\$9,350	39.32%
TOTAL REVENUES	\$16,073,583	\$16,141,315	100.0%	\$67,732	0.42%

The proposed 2019 General Fund Budget projects a budgetary deficit of approximately \$2,119,924 with an ending fund balance of approximately \$10,071,452.

GENERAL FUND REVENUES

- The Budget 2019 General Fund Revenues are proposed to increase \$67,732 (0.42%) compared to Budget 2018.
 - 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 Intergovernmental Revenue and Misc. Revenue.
 - Negative growth is proposed for the revenue category of Real Estate Taxes, Transfer Taxes, Licenses and Permits, Fines and Forfeits, and Charges for Services.
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- The decrease in Real Estate Taxes is due to a proposed decrease from Delinquent Liens.
 - The increase for Interest and Rents is due to an interest rate increase on all bank accounts.
 - The decrease for Charges for Services is primarily due to an anticipated decrease in Building Permits.

2019 BUDGET					
GENERAL FUND					
EXPENDITURE SUMMARY BY FUNCTION					
			%	\$	%
	2018	2019	Of Total	CHANGE	CHANGE
EXPENDITURES	BUDGET	BUDGET	2018	FROM	FROM
			EXPEND.	BUDGET	BUDGET
ADMINISTRATION	\$1,829,802	\$1,667,778	9.1%	(\$162,024)	-8.85%
AUDITING & TAX COLLECTION	203,741	214,167	1.2%	\$10,426	5.12%
LEGAL & ENGINEERING	420,415	369,963	2.0%	(\$50,452)	-12.00%
BUILDING	411,649	409,000	2.2%	(\$2,649)	-0.64%
POLICE	6,279,769	6,674,331	36.5%	\$394,562	6.28%
FIRE PROTECTION	798,363	886,717	4.9%	\$88,354	11.07%
CODE ENFORCEMENT	303,458	389,655	2.1%	\$86,197	28.40%
PLANNING & ZONING	29,780	29,780	0.2%	\$0	0.00%
PUBLIC WORKS	3,222,789	3,126,620	17.1%	(\$96,169)	-2.98%
RECREATION	357,014	375,797	2.1%	\$18,783	5.26%
PARKS	1,298,965	1,373,483	7.5%	\$74,518	5.74%
LIBRARIES	20,000	20,000	0.1%	\$0	0.00%
OPERATING TRANSFERS	718,592	2,723,948	14.9%	\$2,005,356	279.07%
TOTAL EXPENDITURES	\$15,894,337	\$18,261,239	100.0%	\$2,366,902	14.89%

GENERAL FUND EXPENDITURES

- The Budget 2019 General Fund Expenditures are proposed to increase \$2,366,902 (+14.89%) as compared to Budget 2018.
- Salary increase, net increase \$720,807.
- Continuation of non-uniformed salary compensation program effective 2016.
- Employee insurance increase (12.3%), net increase \$241,852.
- Pension cost decrease per MMO (-0.5%), net decrease \$3,390.
- Workers Compensation decrease (-6.8%), net decrease \$16,446.
- Tuition Reimbursement increase (1.41%), net increase \$18,300.
- Conferences and training increase (17.2%), net increase \$20,596.
- Insurances and Bonding decrease (-47.3%), net decrease \$5,100.
- Legal Services proposed to decrease with Sunoco Litigations concluding in 2018, net decrease \$54,400.
- Digital Township Newsletter proposed– new for 2019.
- The General Fund portion of Road construction paving is proposed to increase by \$35,000.
- Building Repairs and Maintenance proposed to decrease (2.47%), net decrease \$7,100.
- Volunteer Fire Contributions to increase based on the new annual contract for the Borough of West Chester, net increase \$105,000.
- Misc. Contributions increase primarily due to a one-time capital contribution to Good Fellowship, net increase \$61,000.
- Major Capital items proposed for 2019 are to be paid out of the Capital Reserve Fund, net decrease \$839,650.
- Transfer to Capital Reserve primarily for Major Capital expenditures, net increase \$2,000,796.

October 31, 2018

SEWER FUND SUMMARY

The proposed 2019 Sewer Fund Budget projects a budgetary surplus of approximately \$567,054 with an ending fund balance of approximately \$5,485,616.

- Total revenues are proposed to increase \$1,850,759 over the 2018 Budget. This increase is primarily due to the new residential and commercial quarterly sewer rates.
- Total expenditures are proposed to increase \$1,066,923 over the 2018 Budget.

Budget changes include:

- 9.0% salary and wage increases. *Net increase +\$127,350.*
- Employee insurance increase. *Net increase +\$51,862.*
- Pension MMO to increase. *Net increase +\$56,780.*
- Property liability insurance increase. *Net increase +\$15,277.*
- Chemicals increase, *net increase +\$20,000.*
- Sludge Removal to increase, *net increase +\$40,000.*
- Rent to Authority increase, *net increase +\$605,677.*
- Major Capital proposed for 2019 – tank truck and truck #309 replacements. *Net increase - \$182,500.*

WASTE & RECYCLING FUND SUMMARY

The proposed 2019 Waste & Recycling Fund Budget projects a budgetary deficit of approximately \$196,712 with an ending fund balance of approximately \$2,070,110.

- Total revenues are proposed to increase \$22,275 over the 2018 Budget. This increase is primarily due to an increase in Interest Earnings and the Performance Grant.
- Total expenditures are proposed to increase \$158,053 over the 2018 Budget.

Budget changes include:

- 3.5% salary and wage increases. *Net increase +\$2,546.*
- Employee insurance increase. *Net increase +\$299.*
- Recyclable Returns to increase as rebates previously received to offset program costs stop as a result of changes in the recycling market. *Net increase +\$116,089.*
- Contracted collection & disposal increase primarily due to the 3rd year of the 3-year trash contract. *Net increase +\$45,387.*
- Other Recycling expense decrease. This decrease is primarily due to the completion of the bus stop totter installations in 2018. *Net decrease -\$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 2019 is \$725,870, an increase of \$9,754 over the 2018 Budget.

The 2019 Budget is proposing to pave 5.88 miles of roads – total project cost approximately \$1,000,000. The State Highway Fund is proposing to expend \$725,000 toward the project, a decrease of \$25,000, with the balance being expended out of the General Fund (\$275,000).

CAPITAL RESERVE FUND SUMMARY

The proposed 2019 Capital Reserve Fund Budget projects a budgetary surplus of approximately \$695,470 with an ending fund balance of approximately \$4,962,581.

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

Budget proposals for 2019:

- Transfer from General Fund for Major Capital expenditures. \$2,000,000.
- Growing Greener Watershed Basin retrofit – \$80,000.
- Route 3 adaptive signal controls - carryover from 2018, \$110,000.
- Traffic Signal battery backups. \$30,000.
- Traffic Study signal retiming, multi-year. \$21,000
- Major Capital proposed for 2019 – reimbursed by Transfer from the General Fund – Administration: two pool cars and a vehicle for the Township Engineer, \$90,000; Engineering: a 3D scanner to replace the current total station, \$30,000; Municipal Complex: replacement generator, AED security panel replacements, and a LED Message Board, \$600,000; Police: 3 interceptors and 1 interceptor truck, \$145,000; Roads: Two truck replacements, one floor scrubber, one floor sweeper, and a hydraulic iron worker, \$280,030.
- Major Capital proposed for 2019 reimbursed by Transfer from Restricted Parks: 5 mower replacements, 2 truck replacements, an electronic message board, and security cameras for the township parks, \$440,039.
- Park Improvements – family bathroom at community park, \$45,000.
- Debt service – reimbursed by Transfer from General Fund. \$567,386.