



# East Norriton Township 2015 Adopted Budget

## Overview & Summary



December 9, 2014



## Brief Summary

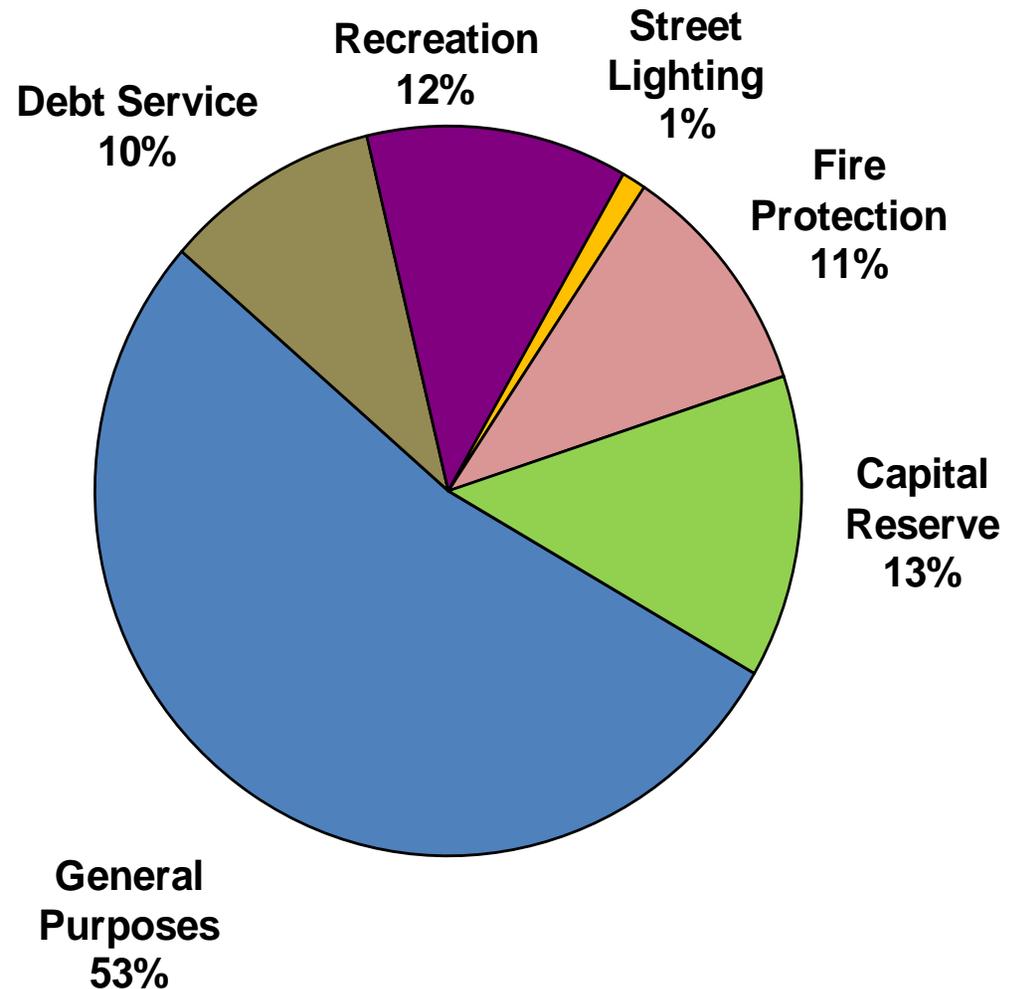
- **Proposed \$17.1 Million Spending Plan (All Funds)**
- **Operating Budget of \$14.8 Million**
- **Real Estate Tax Rate of 2.727 mills**
  - Same rate as 2014; unchanged since 2010
- **Based on total Township Assessed Value (AV) of \$968,575,843; down from \$970,014,183 in 2014**
  - First decline in AV since before 2000
    1. Large commercial reassessments
    2. Steady residential reassessments
    3. Limited new development



# 2015 Proposed Real Estate Tax

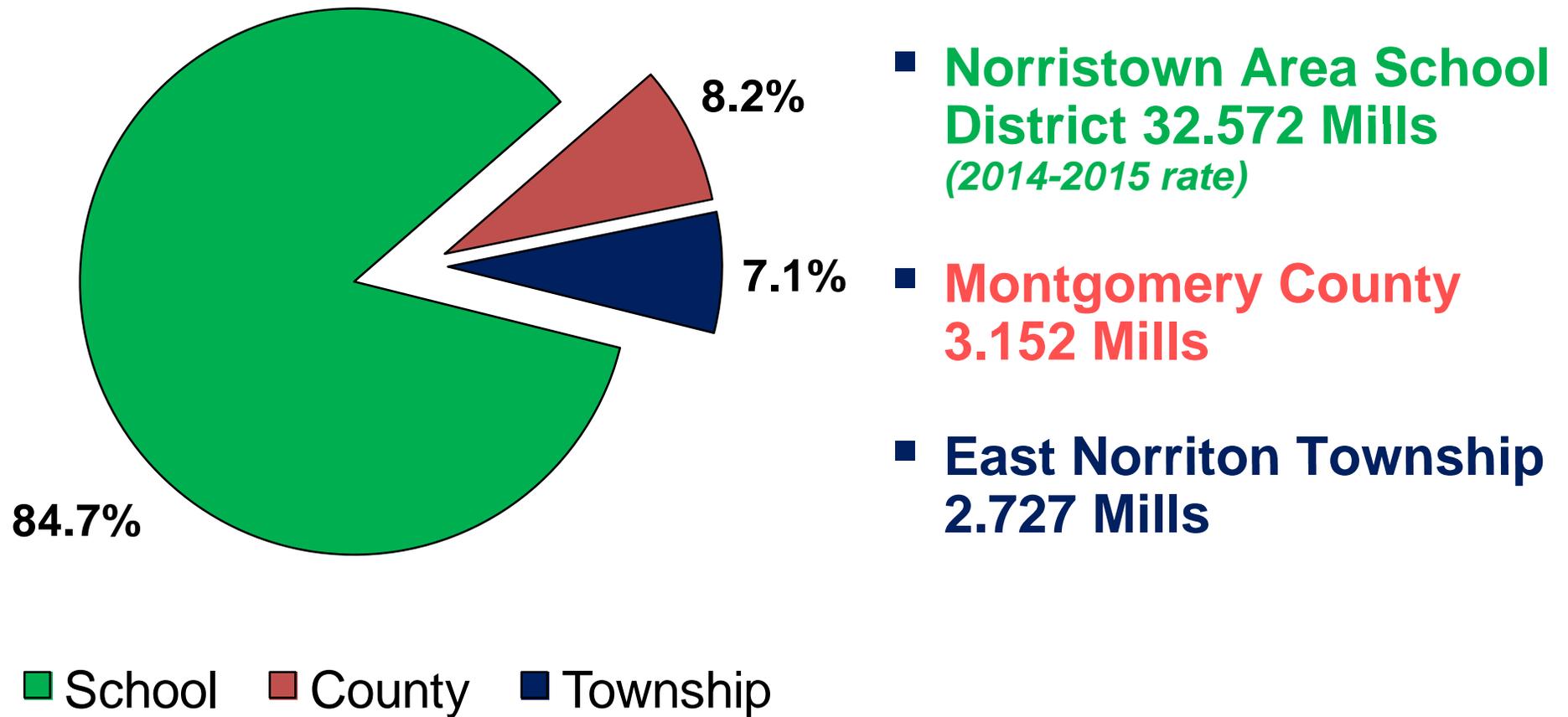
## 2.727 Mills

- General Purposes = 1.447 Mills
- Capital Reserve = .366 Mills
- Recreation = .326 Mills
- Fire Protection = .288 Mills
- Debt Service = .270 Mills
- Street Lighting = .030 Mills





# 2015 Real Estate Tax Rate Comparison





# 2015 Real Estate Tax Payments

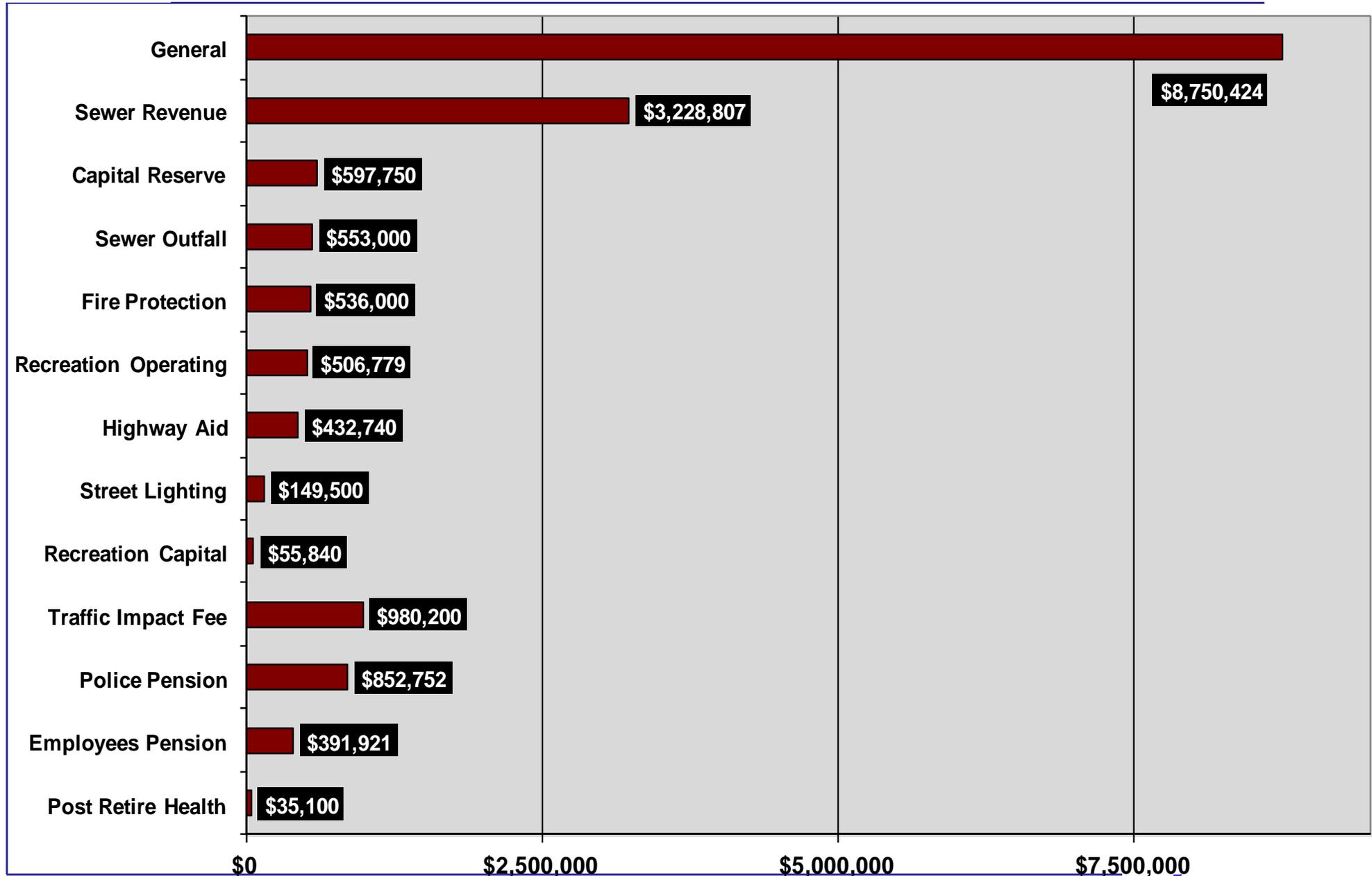
<b>Assessed Value</b>	<b>* School 32.572 mills</b>	<b>County 3.152 mills</b>	<b>Township 2.727 mills</b>	<b>Total 38.451mills</b>
<b>\$100,000</b>	<b>\$3,257.20</b>	<b>\$315.20</b>	<b>\$272.70</b>	<b>\$3,845.10</b>
<b>\$125,000</b>	<b>\$4,071.50</b>	<b>\$394.00</b>	<b>\$340.88</b>	<b>\$4,806.38</b>
<b>\$150,000</b>	<b>\$4,885.80</b>	<b>\$472.80</b>	<b>\$409.05</b>	<b>\$5,767.65</b>
<b>\$200,000</b>	<b>\$6,514.40</b>	<b>\$630.40</b>	<b>\$545.40</b>	<b>\$7,690.20</b>
<b>\$250,000</b>	<b>\$8,143.00</b>	<b>\$788.00</b>	<b>\$681.75</b>	<b>\$9,612.75</b>

\*School millage based on 2014-2015 tax year;



# All Funds Budget Summary

## \$17.1 Million

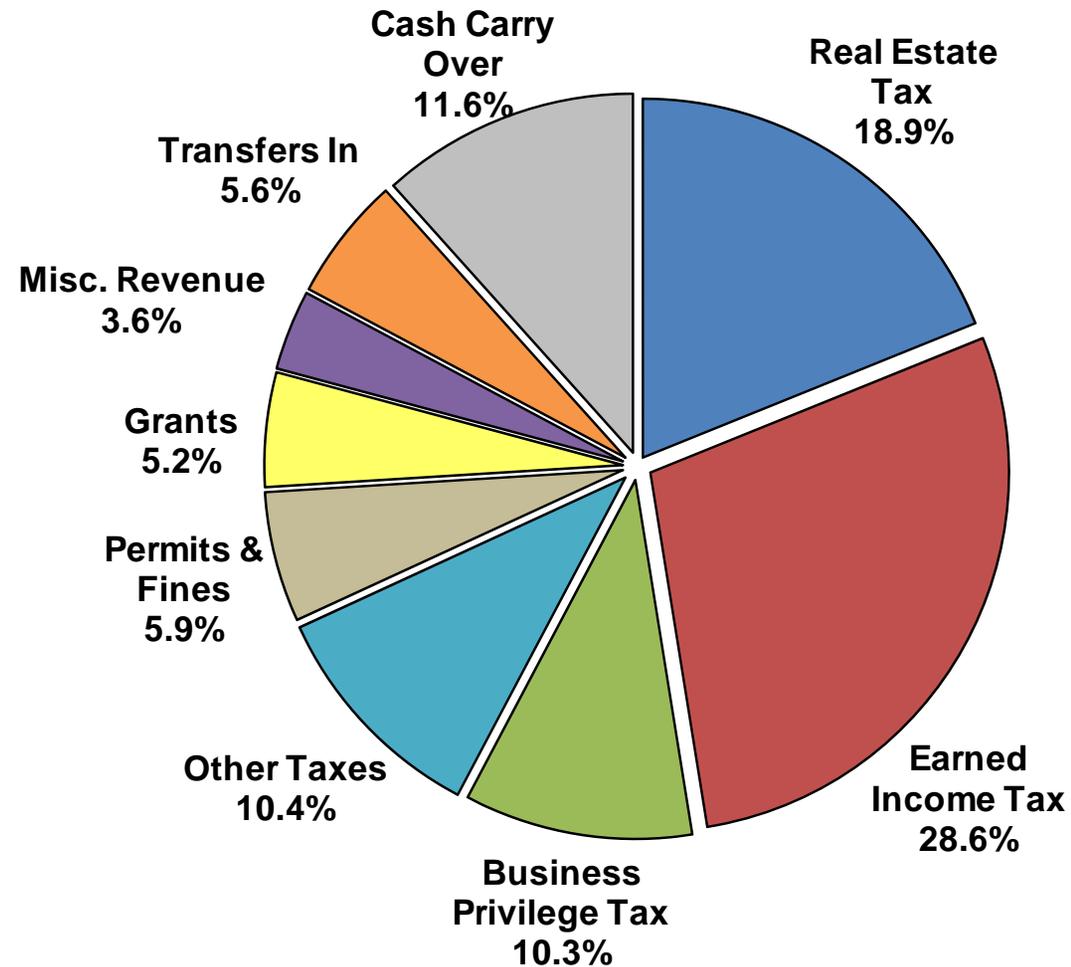




# General Fund Revenues

## \$8,750,424

- Earned Income Tax = \$2,500,000
- Real Estate Tax = \$1,653,000
- Business Privilege Tax = \$900,000
- Other Taxes = \$910,000
- Cash Carry Over = \$1,019,239
- Permits and Fines = \$513,750
- Transfers In = \$487,750
- Grants = \$450,860
- Misc. Revenue = \$315,825

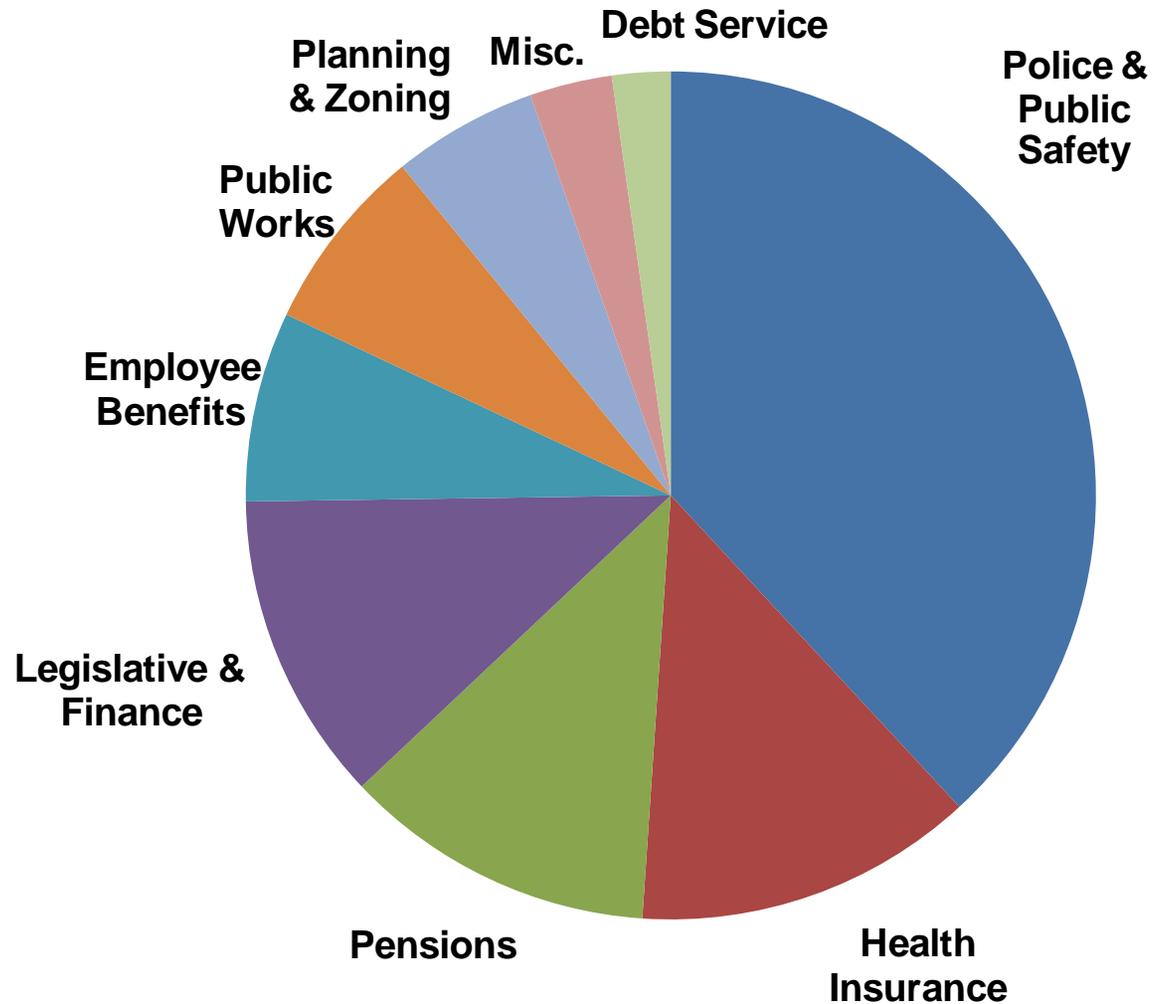




# General Fund Expenditures

## \$8,750,424

- Police/Public Safety  
\$3,333,816 (38.1%)
- Health Insurance  
\$1,135,000 (13.0%)
- Pensions  
\$1,042,916 (11.9%)
- Legislative/Finance/Admin  
\$1,031,518 (11.8%)
- Employee Benefits  
\$631,500 (7.2%)
- Public Works  
\$621,302 (7.1%)
- Planning and Zoning  
\$483,874 (5.5%)
- Misc. Expenditures  
\$275,000 (3.1%)
- Debt Service  
\$195,498 (2.2%)





# General Fund (001)

## REVENUES

- Act 511 taxes are projected to increase
  - EIT up \$325,000
  - Business Privilege Tax up \$100,000
  - LST up \$35,000
  - Cable Franchise Fees up \$15,000
- Real Estate Taxes remain steady due to high collection rate
- Business Tax Audit Program to continue again in 2015
- Licenses & Permits fees are expected to increase modestly over 2013 budget
- Intergovernmental/Grants continue via SRO and state pension aid
- Cash Carry Over balance of \$1,019,239
- Transfers In
  - Sewer Revenue Transfer \$455,000
  - Fire Protection Transfer \$32,750

## EXPENDITURES

- All Non-uniformed staff receive a salary increase of 1%; 3% salary increase for police officers per contract
- Rate Stabilization Funds used to lower insurance costs by a total of \$175,000
- Health Insurance costs projected to rise by \$175,000 to over \$1.13 million
- Township contributions to the two pension plans
  - Police - \$727,687 (\$274,960 is State Aid)
  - Non-uniformed - \$315,229
- Eliminate the \$114,943 contribution to the Police Post Retirement Health Insurance Fund
- Budgets \$75,000 in funding for the ongoing Billboard legal challenge
- Donations include:
  - Norristown Library (\$6,500)
  - Plymouth Ambulance (\$6,000)
  - Visiting Nurses Assoc. (\$1,000)



# Fund Balance & Reserve Policy

- Board of Supervisors adopted a policy regarding fund balance and reserves in January 2012 and was amended in July 2014
- Fund balance is the amount of money the Township has on hand at the end of the fiscal year as reflected in its annual audit. Reserves are defined as the amount of funds reserved in the adopted budget to be used in case of emergencies/unforeseen expenses throughout the fiscal year
- As of the 12/31/2013 audit the Township had a total General Fund balance of 29.8% of expenditures
  - The fund balance level is in accordance with the adopted policy's goal of a 16.7%
- Reserves in the 2015 budget total \$200,000 which is 2.3% of General Fund expenditures
  - Goal is to continue to add to the reserve. Adopted policy provides the Township with 5 years to build up to 5% of General Fund revenues (this is the third year)
  - Currently in accordance with adopted policy



# Street Lighting (002) & Fire Protection (003)

## *STREET LIGHTING FUND*

- Allocate .03 mills or \$27,500 from Real Estate Taxes annually
- Provides funding for street light maintenance, repairs, electricity, and debt service
- Township will continue to use the fund's reserves to upgrade old street lights as long as funding is available

## *FIRE PROTECTION FUND*

- Allocate .288 mills or \$267,000 from Real Estate Taxes annually
- Paid Firefighter Costs
  - \$45,568 (salaries)
  - \$32,750 (benefits)
- \$71,000 for the lease/purchase of fire truck (engine) delivered in 2014
- \$80,300 for the lease/purchase of the fire truck (tower) received in 2010
- \$11,583 for payments on other fire apparatus
- \$18,000 for vehicle insurance
- \$59,000 for Township contribution
- No General Fund transfer in 2015



# Parks & Recreation: Operating & Capital

## *OPERATING FUND (004)*

- Allocate .326 mills or \$302,000 from Real Estate Taxes annually
- Generate \$178,700 from programs, trips, and other revenue sources
- \$33,000 for contracted services to pay referees, program leaders
- \$6,000 contribution to the ENGAA and ENLL
- \$12,000 for maintenance of Township owned detention basins
- Parks & Recreation Fund and General Fund will continue to fund a part-time employee from the spring through the fall to supplement existing staff in both Public Works and Parks Maintenance

## *CAPITAL FUND (005)*

- Revenues are generated by developer Park and Recreation Fees and used for capital investments at park facilities across the Township
- After recent park developments (Bocce Courts, DeSage, etc.) funding will be more limited in the future
- VanLandeghem - \$25,000
- Stanbridge Street Park - \$5,000
- Barrington Park - \$2,500
- DeSage Park - \$2,500
- Old Arch Road Park - \$2,500
- Cal Hurdle Park - \$2,500
- Ballard Wolffe Park - \$2,500
- Louis Mack Watson Park - \$2,500



## Sewer Revenue Fund (008)

- Budgeted revenues, primarily from quarterly sewer charges, are expected to increase slightly to \$2.9 million
- East Norriton Township's 2015 treatment charges to the Joint Sewer Authority will be \$1,071,500, a decrease of approximately \$6,000
- A transfer of \$500,000 to the Sanitary Sewer Outfall Fund will be made to help pay for the Township's sanitary sewer infrastructure costs including Joint Sewer Authority debt service
- A transfer \$455,000 to the General Fund for administrative costs for sewer related issues (salaries, benefits, and other related costs)
- Sewer Revenue Fund is also funding \$432,810 for debt service payments
- Other budgeted expenditures include:
  - \$180,000 for electricity for pump stations
  - \$25,000 for pump station maintenance
  - \$20,000 to rebuild pumps
  - \$15,000 for contracted services
  - \$15,000 for sewer maintenance and repairs



## Sanitary Sewer Outfall Fund (018)

- Only revenue sources are \$500,000 transfer from the Sewer Revenue Fund and cash carry over balance of \$50,000
- Joint Sewer Authority (JSA) Debt Service
  - \$492,000, an increase of over \$122,000 over 2013
  - Payment is one third of annual bond payment to support capital investments at treatment facility
  - Using JSA reserves to pay \$246,000 of debt service in 2015
- Sewer Capital Projects include:
  - Timberlake Drainage Area - \$185,000
  - Whitehall Road Pump Station - \$30,000
  - Manhole Rehabilitation - \$19,000
  - Manhole Replacement - \$18,000
  - VFD Replacement Program - \$18,000
  - Root Control - \$12,000



## Capital Reserve Fund (030)

- Allocate 0.366 mills or \$340,000 from Real Estate Taxes annually along with cash carry over of \$245,000 to fund capital needs

### Major Expenditures:

- Patrol Fleet In Car Camera System - \$65,000
- UHF Radio System - \$35,000
- New Police Vehicle - \$35,000
- PC Replacements (XP Machines) - \$15,000
- Code Enforcement Vehicle - \$23,000
- Road Improvements/Novachip - \$120,885
- Stormwater Projects - \$47,000
- Public Works Garage Roofs - \$19,500
- ADA Ramps and Bridge Repairs - \$15,000
- Reserve for Police Radios - \$137,000



## State Aid/Liquid Fuels Fund (035)

- Fully funded through PA funding dedicated to Township roadways

### Major Expenditures:

- Road Improvement Program - \$150,000
- New Dump Truck Lease - \$25,000
- Single Axle Dump Truck Lease - \$21,783
- Bucket Truck Lease - \$11,104
- Pick-up Truck Lease - \$8,280
- Crack Sealing Machine lease - \$10,120
- Salt - \$60,000
- Traffic Signal Electric and Repairs - \$35,000
- Thermoplastic Line Painting - \$19,000
- Salt Brine Equipment - \$12,000
- Asphalt - \$10,000



# Conclusion

- The 2015 budget maintains essential services without raising the real estate tax rate for the 5<sup>th</sup> straight year
  - We continue to make structural changes to improve the Township's fiscal position moving forward
  - Township's multi-year projections show more manageable budget gaps in 2016 and beyond, but challenges remain
- Our biggest ongoing General Fund challenge will be personnel costs related to health insurance and pensions. These rising costs could still force the Township to reduce services in the future to meet these growing obligations
- Funding capital needs Township-wide, but most critically sewer infrastructure, will be the other major challenge facing the Township in the next several budgets



# Questions???

- Questions and Comments from the Board and Public...

