



East Norriton Township 2016 Adopted Budget

Overview & Summary



December 8, 2015



Brief Summary

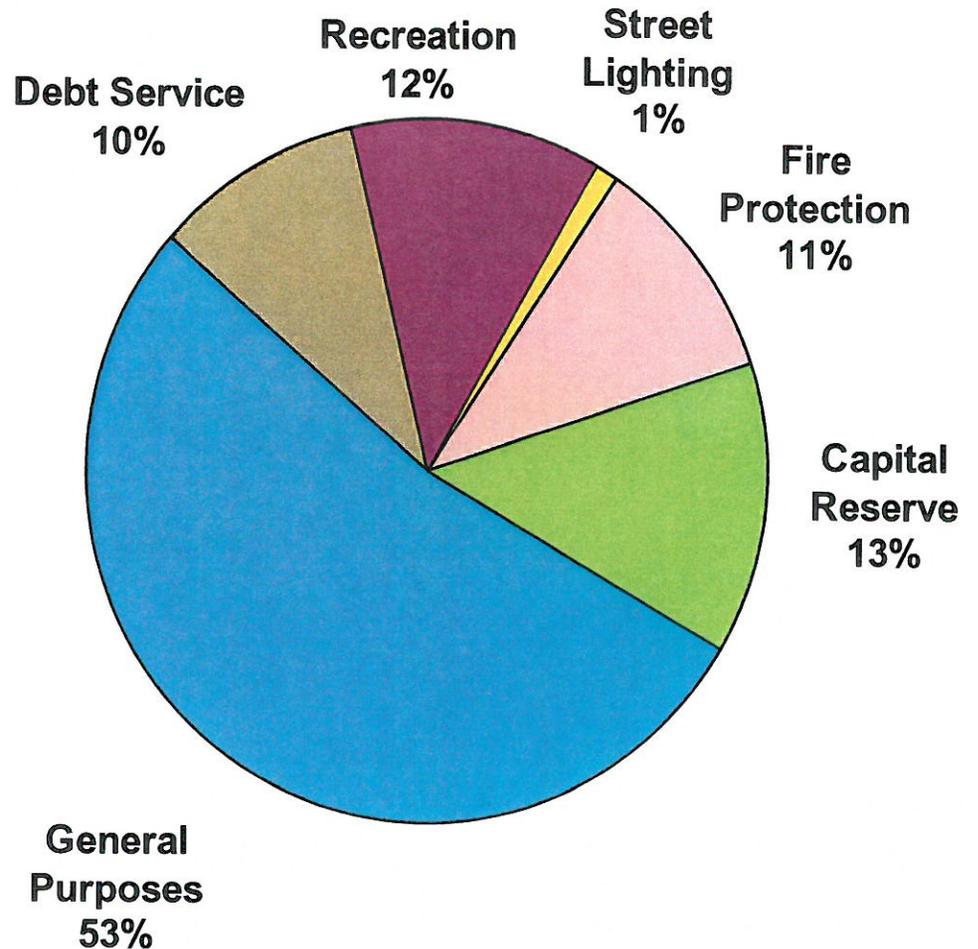
- **Proposed \$17.3 Million Spending Plan (All Funds)**
- **Operating Budget of \$15.0 Million**
- **Real Estate Tax Rate of 2.727 mills**
 - Same rate as 2015; unchanged since 2010
- **Based on total Township Assessed Value (AV) of \$965,139,403; down from \$968,575,843 in 2015**
 1. Large commercial reassessments
 2. Steady residential reassessments



2016 Proposed Real Estate Tax

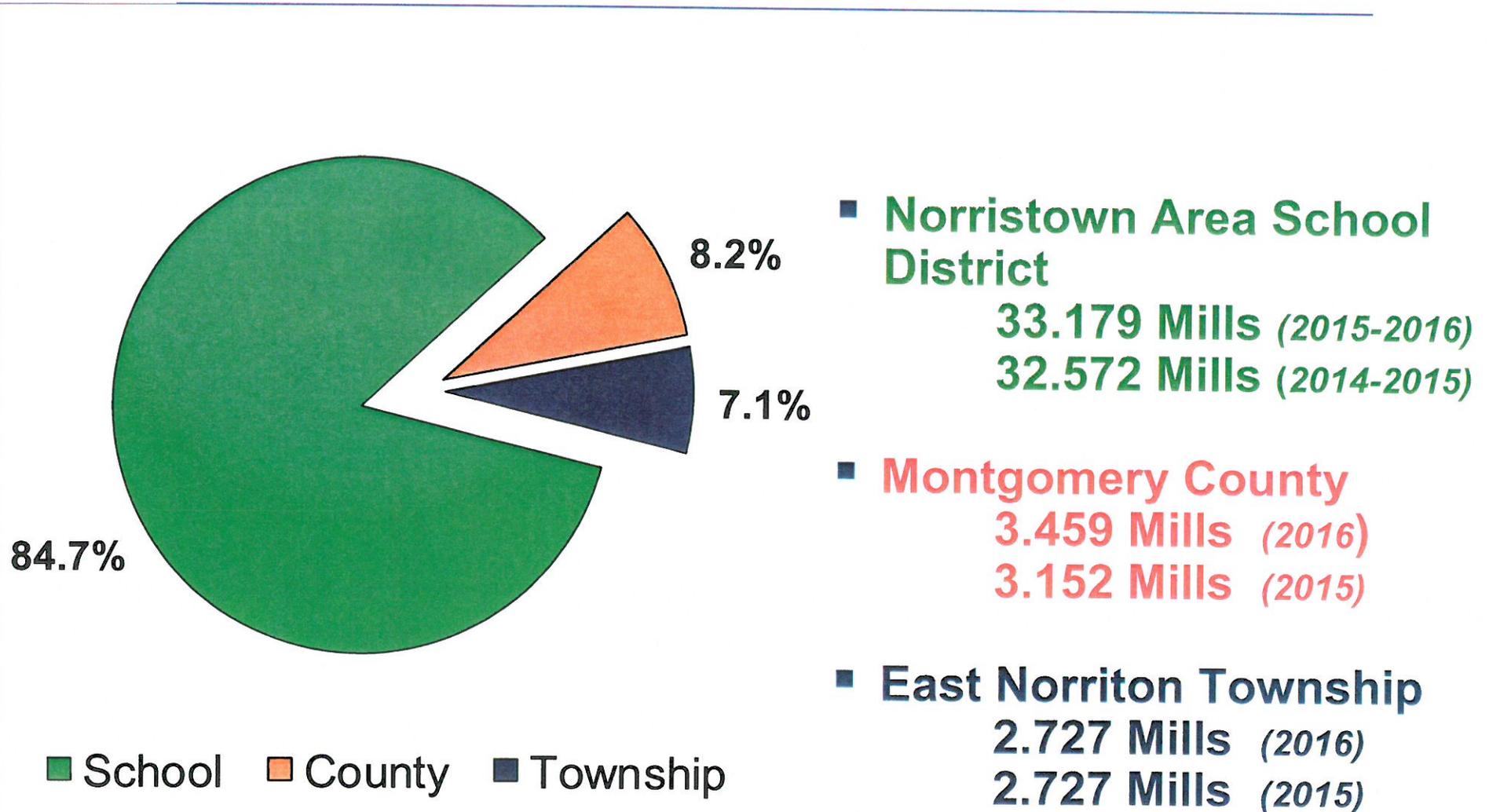
2.727 Mills

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





2016 Real Estate Tax Rate Comparison





2016 Real Estate Tax Payments

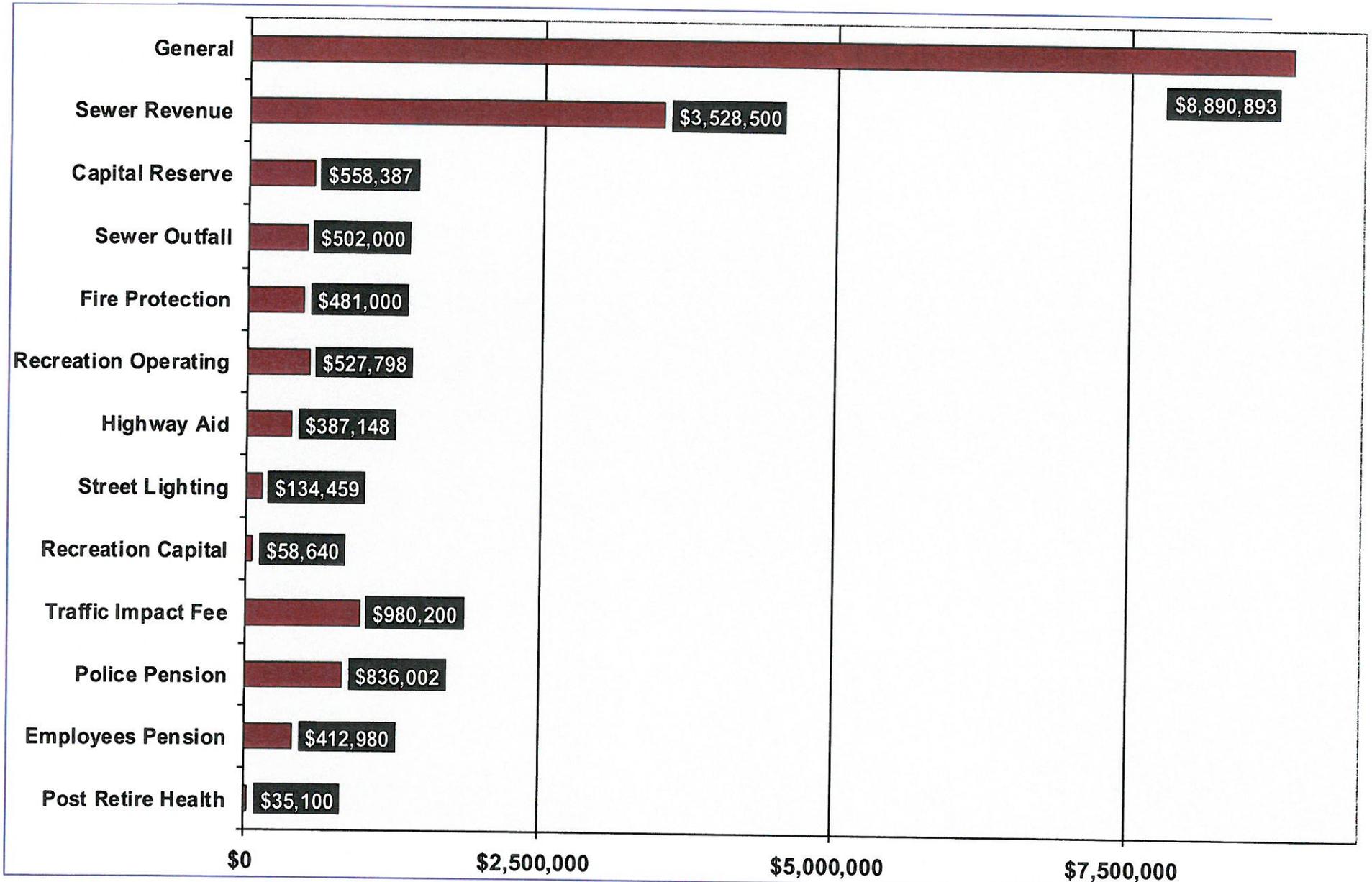
Assessed Value	* School 33.179 mills	County 3.459 mills	Township 2.727 mills	Total 39.365 mills
\$100,000	\$3,317.90	\$345.90	\$272.70	\$3,936.50
\$125,000	\$4,147.37	\$432.37	\$340.88	\$4,920.62
\$150,000	\$4,976.85	\$518.85	\$409.05	\$5,904.75
\$200,000	\$6,635.80	\$691.80	\$545.40	\$7,873.00
\$250,000	\$8,294.75	\$864.75	\$681.75	\$9,841.25

*School millage based on 2015-2016 tax year;



All Funds Budget Summary

\$17.3 Million

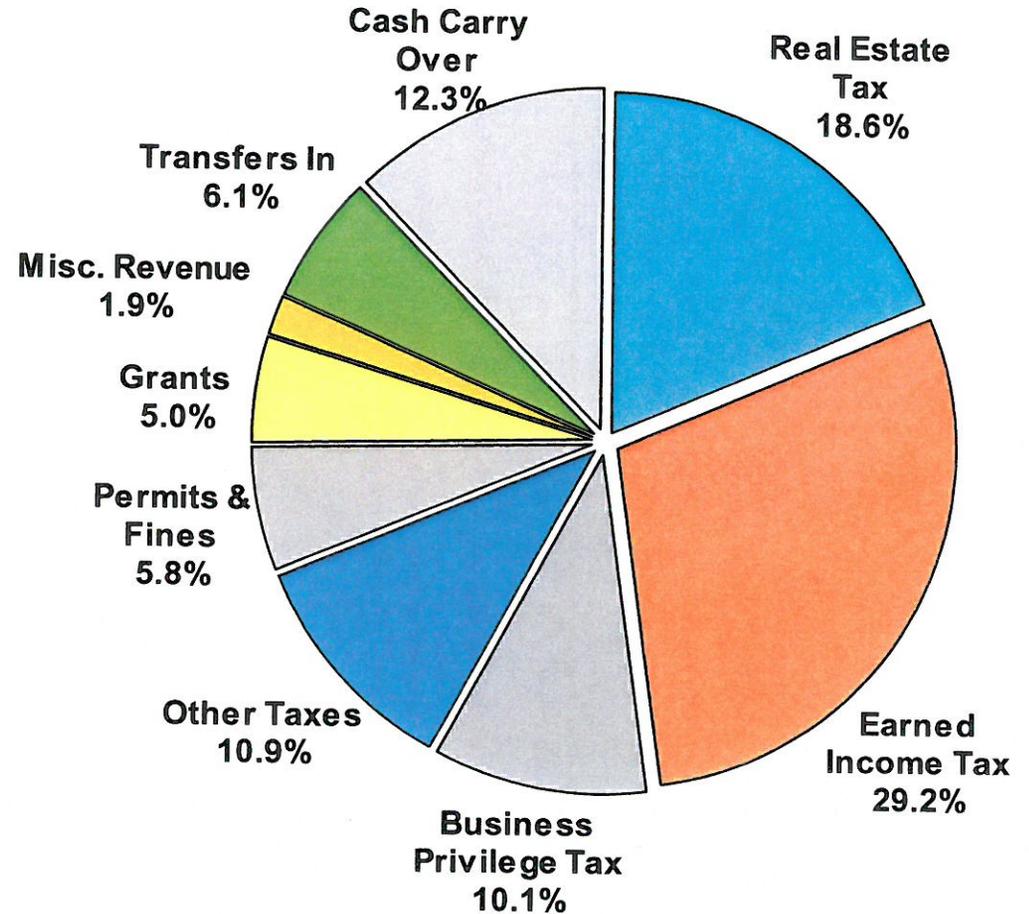




General Fund Revenues

\$8,890,893

- Earned Income Tax = \$2,600,000
- Real Estate Tax = \$1,653,000
- Business Privilege Tax = \$900,000
- Other Taxes = \$970,000
- Cash Carry Over = \$1,090,506
- Permits and Fines = \$519,050
- Transfers In = \$545,675
- Grants = \$445,837
- Misc. Revenue = \$166,825

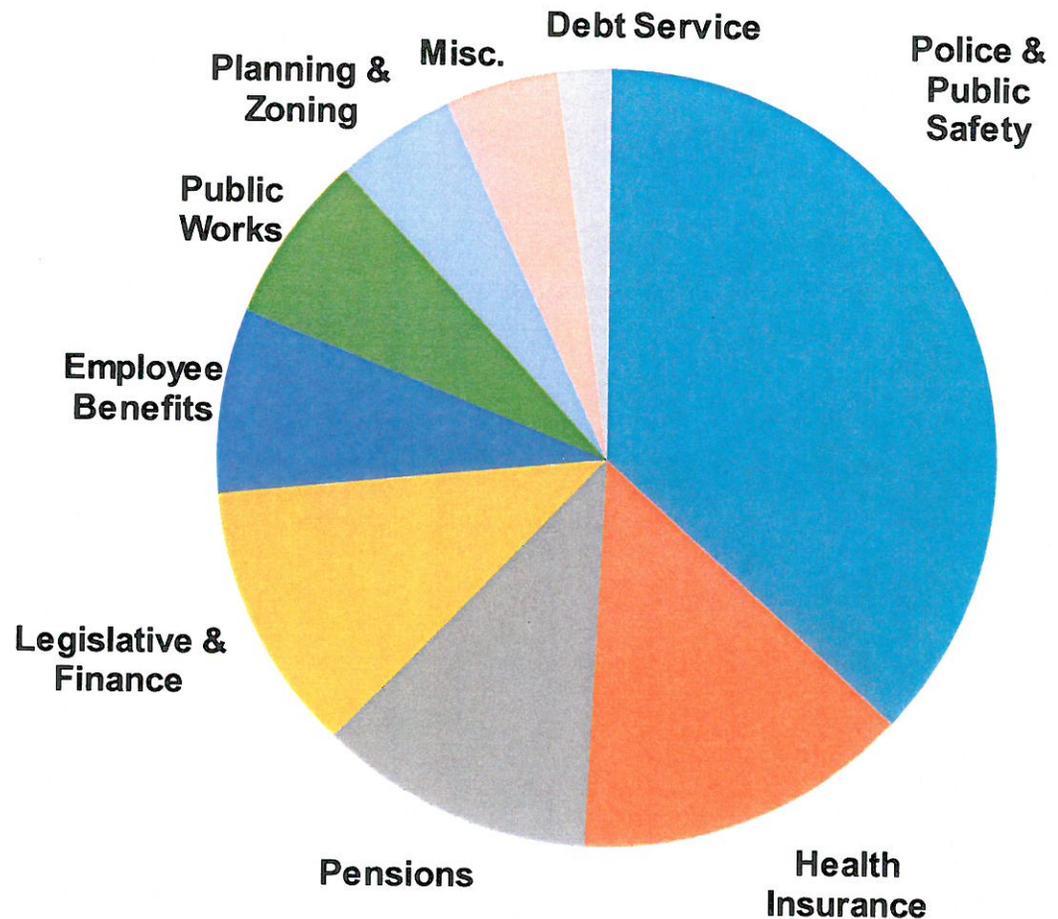




General Fund Expenditures

\$8,890,893

- Police/Public Safety
\$3,269,587 (36.8%)
- Health Insurance
\$1,240,000 (13.9%)
- Pensions
\$1,018,078 (11.5%)
- Legislative/Finance/Admin
\$1,001,633 (11.3%)
- Employee Benefits
\$672,500 (7.6%)
- Public Works
\$627,870 (7.1%)
- Planning and Zoning
\$445,564 (5.0%)
- Misc. Expenditures
\$419,500 (4.7%)
- Debt Service
\$196,161 (2.2%)





General Fund (001)

REVENUES

- Act 511 taxes are projected to increase
 - EIT up \$100,000
 - Business Privilege Tax same
 - LST up \$15,000
- Real Estate Taxes remain steady due to high collection rate
- Business Tax Audit Program to continue again in 2015 - expect significantly less revenue due to completion of several one-time large audits
- Licenses & Permits fees are expected to increase modestly over 2015 budget
- Intergovernmental/Grants continue via SRO and state pension aid
- Cash Carry Over balance of \$1,090,506
- Transfers In
 - Sewer Revenue Transfer \$512,199
 - Fire Protection Transfer \$33,476

EXPENDITURES

- All Non-uniformed staff receive a salary increase of 2%; police contract not settled
- Rate Stabilization Funds used to lower insurance costs by a total of \$100,000
- Health Insurance premium rate increase of 4.35%
- Township contributions to the two pension plans
 - Police - \$706,098 (\$278,832 is State Aid)
 - Non-uniformed - \$311,980
- Eliminate the \$108,248 contribution to the Police Post Retirement Health Insurance Fund
- Donations include:
 - Norristown Library (\$7,000)
 - 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 12/31/2014 audit the Township had a total General Fund balance of 20.8% 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 \$186,000 which is 2.0% 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
 - \$46,479 (salaries)
 - \$33,476 (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
- \$18,000 for vehicle insurance
- \$59,000 for Township contribution



Parks & Recreation: Operating & Capital

OPERATING FUND (004)

- Allocate .326 mills or \$302,000 from Real Estate Taxes annually
- Generate \$180,250 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 - \$20,000
- 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)

- East Norriton Township's 2016 treatment charges to the Joint Sewer Authority will be \$1,264,173, an increase of \$192,673
- Additional Debt Obligation of \$130,000 previously absorbed into the Sewer Revenue Fund budget
- 12% rate increase is needed to cover the \$330,000 shortfall which would be the first rate adjustment since 2007
- A transfer of \$500,000 to the Sanitary Sewer Outfall Fund will be made to help pay for the Township's portion of Sewer Authority debt service
- A transfer \$512,199 to the General Fund for administrative costs for sewer related issues (salaries, benefits, and other related costs)
- Sewer Revenue Fund is also funding \$434,293 for its own 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



Sanitary Sewer Outfall Fund (018)

- Only revenue source is \$500,000 transfer from the Sewer Revenue Fund
- Joint Sewer Authority (JSA) Debt Service
 - \$492,000, amount was increased in 2013
 - Payment is one third of annual bond payment to support capital investments at treatment facility
- All revenue is committed to payment of debt obligation so no capital project or infrastructure work is budgeted for 2016



Capital Reserve Fund (030)

- Allocate 0.366 mills or \$340,000 from Real Estate Taxes annually along with cash carry over of \$208,000 to fund capital needs

Major Expenditures:

- Parks & Recreation Enclosed Trailer - \$7,500
- New Police Vehicle - \$30,000
- Computer Replacements - \$8,000
- Code Enforcement Vehicle - \$26,500
- Road Improvements/Novachip - \$120,000
- Stormwater Projects - \$122,000
- ADA Ramps and Bridge Repairs - \$15,000



State Aid/Liquid Fuels Fund (035)

- Fully funded through PA funding dedicated to Township roadways

Major Expenditures:

- Road Improvement Program - \$125,000
- Salt - \$60,000
- Electricity/Maintenance-Traffic Signals - \$38,000
- Thermoplastic Line Painting - \$25,000
- Vehicle Lease Payments - \$75,287
- Asphalt Materials - \$15,000
- Storm Sewer Repairs - \$7,500
- Crack Sealing Material - \$7,000



Conclusion

- The 2016 budget maintains essential services without raising the real estate tax rate for the 6th straight year
- Sewer Revenue Fund requires rate increase to fund increased treatment and bond obligation costs
- 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
- Township-wide challenge - funding for capital needs so we can continue investing in tools and technology



Questions???

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

