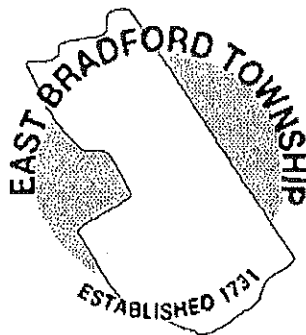


EAST BRADFORD TOWNSHIP

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Board of Supervisors:
Vincent M. Pompo, Esq.
Dr. Thomas A. Egan
Mr. John D. Snook

November 6, 2011

To: The Residents of East Bradford Township
From: Board of Supervisors

After considered review and deliberation, the Board of Supervisors has determined that an East Bradford Township Real Estate Property Tax increase is necessary for 2012.

Despite substantial cuts and decreases in discretionary expenses to the General Fund Budget over the recent years (including deferred maintenance and reductions to both staff and services (including Public Works, emergency services, library, parks events and litter control), fixed costs (the larger percentage of the budget – police, fire, health, and pension) continue to increase. Revenues, particularly Earned Income Tax and Real Estate Transfer Tax, have stagnated and significantly decreased, respectively, over the past several years. The current 2011 year-end projection for Earned Income Tax is -3.4% from 2010.

The 2012 Preliminary (General Fund) Budget estimated deficit was more than \$100,000 prior to the decision to increase the Real Estate Property Tax and the trend of declining fund balances (both General Fund and Capital Reserve Fund) over the past several years punctuate the needed property tax increase. Between 2008 and 2011 Township actual revenue has declined an average of -3.5% annually. Over the same period the Board of Supervisors has reduced discretionary spending substantially. Unfortunately, costs that the Township has no direct or limited control – police and fire services and employee health insurance and pension – have increased more than 16% creating a current gap of approximately \$270,000.

The Real Estate Property Tax will increase from a millage rate of 0.071 mills to 0.34 mills for 2012 and will increase the current property tax total receipt from approximately \$55,000 to an estimated \$270,000. The estimated tax increase for a property owner / household is from an average annual tax bill of \$16.20 to an average estimated Township Real Estate Property Tax of \$77.00 for 2012.

The increased tax receipt is warranted to balance the General Fund Budget (as required by law for Townships of the Second Class); partially fund the 2012 Capital Reserve Fund Budget; and, stay the decline in fund balances for both the General Fund and Capital Reserve Fund.

The General Fund Budgets for both 2010 and 2011 were balanced using the existing fund balance (surplus / savings) and the Township has not funded the Capital Reserve since 2009. The Capital Reserve Fund is utilized for major improvements and replacements for parks, open space and Township facilities and equipment.

There has not been an increase in the Township property tax since its inception (date uncertain) but at least prior to 1960. The tax increase will be effective January 1, 2012.

At such times, perspective is in order by way of some of the continued positive improvements accomplished in 2011 and plans for next year. East Bradford Township is a great place to live. In 2011 the Township residents benefitted from new open space acquisitions (and retirement of development rights) for the Starr Farm and the Brandywine Farm totaling more than 125 acres. The important road improvement of the extension of Bradford Avenue was completed as part of the new Walgreens land development and through negotiations with the developer at no direct cost to the Township. The South Brandywine Trail was completed. Planning for the public access and recreational improvements for Mt. Bradford Preserve and Sconnelltown Park along the Sconnelltown Road corridor progressed and by the end of 2013 (target completion) a great new recreational opportunity will be available to Township residents. The Township will undertake important studies in 2012 including a capital reserve plan, sewer reserve plan and long range road plan.

Township government service and administration must operate with accountability and efficiency; the Board of Supervisors has been demanding of staff and itself to be transparent, accessible and efficient. The Board of Supervisors will continue to identify and implement methods to ensure efficient operations while providing essential services to Township residents.

It is important to remember the character of place that the residents and Board of Supervisors value in East Bradford particularly its open space character. There are costs besides the actual acquisition of conservation easements. Open space needs to be managed; stewardship and maintenance are required for the long term posterity of these special lands. When land is conserved and development rights retired there are foregone tax revenues from the preserved open space in lieu of residential development.

Road maintenance is a primary component of municipal government responsibility and service. The current Township road network (55 miles) and condition of road surfaces has been affected negatively by historically unusual weather; both heavy rains and snows, exacerbating the freeze-thaw conditions that damage road surfaces. In addition, the cost of road projects and materials (particularly asphalt (oil based)) has escalated and has been even more volatile than gasoline prices in recent years while State Liquid Fuels annual allocations (a large component of municipal annual road maintenance budgets) have decreased (-4.0% both 2009 and 2010). During the next years ahead the Township will need to commit more resources to the maintenance and restoration of its roads.

The Board of Supervisors remains optimistic that economic conditions will improve in 2012 and 2013 but cautions that the outcome of the police services (5 year) agreement renewal negotiations (expires 12-31-12) could impact the budget in 2013. The current police agreement represents about one-third of the General Fund Budget. The maintenance of appropriate service that is affordable to East Bradford residents will be a formidable challenge.

Below is some detailed data illustrating the need for the property tax increase. The Preliminary 2012 General Fund Budget also is available for review. In addition, refer to a June 14, 2011 presentation of financial information available on the web site.

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The Board of Supervisors will accept public comment on the 2012 Budget at the scheduled November 08th meeting and during the December 13th Board of Supervisor meeting when the 2012 Budget will be considered for adoption.

The Board of Supervisors thanks you for your consideration and the difference you make as a resident of East Bradford Township.

Vincent M. Pompo, Esq, Chairman

Thomas A. Egan, Vice Chairman

John D. Snook, Supervisor

Continued below

Police Agreement

(Actual and per Agreement)

			Increase from Prior Year
2007	\$786,509		
2008	\$950,540	Current contract 2008-2012	\$164,031
2009	\$978,125		\$27,185
2010	\$1,007,469		\$29,344
2011	\$1,037,693		\$30,224
2012	\$1,068,824		\$31,131

Fire Services Expenditures

(Does not include Foreign Fire which is 100% pass-thru funding from Commonwealth)

	WCFD	WBFC	D'town FC
2007	\$93,414	\$19,478	\$0
2008	\$93,414	\$19,478	\$0
2009	\$121,104	\$19,478	\$0
2010	\$121,104	\$19,478	\$7,000
2011	\$121,104	\$7,150	\$7,000
2012	\$121,104	\$10,000	\$7,000
2013	\$121,104	??	??
2014	??	??	??

NOTES: As above noted regarding 5 year service agreements (also applies for refuse / recycling contracts) there was a substantial increase in the West Chester (multi-municipal) from the final year of the last agreement and first year of the current agreement (expires 12-31-13). WC Boro Manager (McNeely) has indicated that the 2014 to 2018 fire service agreement could contain a substantial increase over the term which is calculated with fixed equal annual payments. West Bradford FC after many years of EBT suggesting establishment of a formal agreement for service has submitted a proposal for 2012. This proposal is still being negotiated as of this date...WBFC has proposed \$15,000 annually; the current Preliminary 2012 Budget provides for \$10,000.

Employee Health Insurance Premiums

(Includes Dental Insurance premium expenses)

		Employee Contributions
2007	\$141,820	\$6,026
2008	\$142,997	\$6,654
2009	\$186,083	\$8,026
2010	\$197,269	\$8,177
2011	\$198,460	\$8,400
2012	\$198,460	\$8,400

Employee Pension (per Minimum Municipal Obligation)

2007	\$114,570	\$38,477
2008	\$94,513	\$38,236
2009	\$92,898	\$40,664
2010	\$138,467	\$35,583
2011	\$134,332	\$67,157
2012	\$108,412	\$35,583