

2011 Budget

The East Bradford Township Board of Supervisors approved the 2011 budget package at its December 14, 2011 meeting. The 2011 budget consists of six (6) distinct budgets – general, sewer, highway, liquid fuels, capital, and open space.

The **GENERAL FUND** represents the principal operating fund for the Township (including police and fire protection, parks, trails and recreation, planning and zoning, codes enforcement and engineering, public works (roads), legal, administration, and litter control). The final 2011 general fund budget is balanced utilizing an appropriation from the prior year carry forward fund balance (\$13,384). The two most important general fund receipts – earned income tax and real estate transfer tax – have exhibited a flattening and decline, respectively, over the past several years. This is projected to continue in 2011. The 2011 general fund budget includes the maintenance of all current essential service levels including police, fire and emergency services and road maintenance. Roadside litter control service is eliminated for 2011. A 1.5% employee uniform wage adjustment is included in the 2011 budget (0% in 2010). There is no base contribution to the capital reserve fund for 2011 (but a contribution is possible pending review at the end of 2011 and dependent upon budget performance). The employee pension plan minimum required contribution, year four police services agreement with West Chester Borough, fire service agreements, and employee health insurance represent significant fixed expenses. For 2011 many line expense items were decreased, one part time position was eliminated and a recommendation for an additional public works employee was deferred. General fund budgeted receipts for 2011, netting out the appropriation from the prior year carry forward fund balance, projects an estimated decrease in revenues of -1.4% while 2011 general fund expenditures is projected to decrease -1.9% compared with 2010.

The **SEWER FUND** is a utility fund established to provide public sewer service to over 1,100 customers in the Township through an inter-municipal agreement with the Borough of West Chester. The sewer fund includes both an operating account and a capital reserve account, which should be considered before assessing annual fund performance. The 2011 sewer fund includes no rate increase in sewer user fees after three prior consecutive year rate increases. The update to the Township Act 537 Sewage Facilities Plan continues and is expected to be completed in early 2011.

The **HIGHWAY IMPROVEMENT FUND** is a proprietary fund established for design and construction of road improvements in the Township. The Highway Improvement Fund generally functions as a capital improvement and contingency fund for roads and related infrastructure. Revenues are derived from developers' contributions. In recent years, with less development activity, the fund balance is decreasing. The Board of Supervisors authorized road maintenance and related projects for 2011 (highway improvement and liquid fuels funds – see below) based upon an October 2010 road inspection. The Township was notified by PADOT in October that the liquid fuels annual allocation from the Commonwealth will again decrease for the third consecutive year due to declining fuel tax receipts and related to the economic conditions.

Receipts for the **STATE LIQUID FUELS FUND** are provided by the Commonwealth of Pennsylvania from (gas) tax disbursed annually to all municipalities. The receipts are based upon Township road miles and population. Use of the fund is limited to road maintenance/reconstruction and related equipment purchases.

The **CAPITAL RESERVE FUND** is comprised of appropriated monies that are used for capital projects, major equipment purchase/replacements, etc. This fund serves a complementary function to the general fund together with the five-year capital reserve schedule for longer term replacements and improvements planning. The Supervisors carefully reviewed the capital schedule to establish realistic spending estimates and priorities. Capital reserve funded projects for 2011 include major equipment replacement, replacement of the Township building HVAC system, continued trail development, and advancement of the Sconnelltown / Mt. Bradford recreational improvements. The public works garage expansion bids received in October were rejected and the project was cancelled.

Finally, the **OPEN SPACE FUND**, established in 1999, is funded from the open space preservation tax (¼ of 1% on earned income) pursuant to PA Act 153 (Open Space Preservation Act). Expenditures are restricted to acquisition of interests in real property and costs associated with these activities. The Open Space Fund represents the only source of Township debt at this time. The open space fund budget for 2011 was carefully reviewed by the Supervisors to establish realistic spending estimates and priorities.

Copies of the budget are available at the Township. Any budget questions should be directed to Michael Lynch, Township Manager, 610-436-5108 or mlynch@eastbradford.org