

2016 Budget Adopted

2016 PROPERTY TAX INCREASE

The Board of Supervisors approved the 2016 East Bradford Township Budget December 08, 2015.

The 2016 Budget includes an increase in the Township Real Estate Property Tax to 1.00 mill (2016 Property Tax bill February mailing). The Board of Supervisors authorized the tax increase only after extensive review and consideration. The anticipated increase in revenues, estimated at \$525,000, is targeted fully to restore and sustain the Capital Reserve Fund.

Commencing in late 2014 and throughout 2015, information on the budget was presented at public meetings, on the Township web site and in the Township Newsletter.

Some residents who follow the Township closely indicated the tax increase was needed.

The Capital Reserve Fund had declined steadily in recent years and the projected balance forward for 2016 was not sufficient to fund the existing obligations of this fund.

The average property tax bill is estimated to increase from \$78 to \$228.

It is noteworthy that the increased tax revenues for the Capital Reserve Fund will be utilized to effectively fund existing Township facilities and capital obligations; there are no significant capital improvements planned in 2016.

The 2016 Budget consists of six (6) distinct budgets.

01 GENERAL FUND

The General Fund Budget, as required by the Second Class Township Code, is balanced for 2016 – Revenues \$4,497,286 and Expenditures \$4,487,348 sans use of any Unappropriated Fund Balance.

2015 ended with revenues fractionally higher than expenditures.

Overall, 2016 General Fund Budget expenditure increases with significant changes include police services (3.0% contractual increase), technology upgrades (municipal operations software), insurance and Staff wage / benefits (2.0% wage increase). The largest expenditure category in the 2016 Budget is related to police and fire services, which represent approximately 35% of the total 2016 General Fund Budget.

Almost 83% of Revenue is derived from Earned Income Tax (54%), Property Tax (18%), Real Estate Transfer Tax (9%) and Local Services Tax (2%).

The Unappropriated Fund Balance carry-forward for the General Fund from 2015 is \$2,271,155 and estimated at \$2,280,323 (*updated w/ year-end data 01-08-16*) for 12-31-16 and acceptable per the guidelines of the Township Fund Balance Management Policy.

50 CAPITAL FUND

Final Budget Revenues of \$794,200 are generated primarily from a \$769,600 transfer from the General Fund and 100% inclusive of the proposed Property Tax rate increase of \$525,000.

The infusion of new revenues into the fund (from the proposed 2016 property tax increase) is intended to rebuild the fund and sustain it for the years ahead.

Final Budget Expenditures of \$652,309 for 2016 are almost entirely (98.5%) related to current capital obligations and existing facilities and infrastructure including capital debt service, police contract vehicle replacement, scheduled replacement of existing Public Works fleet / equipment & office equipment/technology, parks and road maintenance (resurfacing, drainage). No new significant capital projects are planned or funded for 2016.

\$10,000 is pledged to WCFD – Fame FC Capital Campaign (Yr. 1 of a 3 Year Pledge).

12-31-15 Fund Balance \$279,697

12-31-16 Projected Fund Balance \$411,729

99 OPEN SPACE FUND

Expenditures for this fund are restricted to acquisition of interests in real property and related expenditures associated with the design, improvement and maintenance of these open space assets, a.k.a. stewardship.

2016 estimated Revenues of \$1,601,400 include the dedicated Earned Income Tax (*1/4 of 1%*) and grant receipts from Chester County for the Comerford open space easement and the Strode Barn property acquisition both settled in 2015 (totaling \$400,000).

The largest 2016 expenditures include \$994,454 debt service and \$550,000 for conservation easement acquisition.

The balance of the budgeted expenditures is for open space stewardship maintenance and improvements totaling approximately \$206,000. A new position (fully funded by the Open Space Fund) for property and stewardship management is planned for 2016.

The legislative authority for the Township to expense stewardship expenditures (pursuant to Act 115 of 2013) is beneficial to both the General Fund and Capital Fund (budgets) where these expenditures might otherwise reside.

12-31-15 Fund Balance \$599,446

12-31-16 Projected Fund Balance \$456,452

08 SEWER FUND

The 2016 Sewer Fund Budget (an enterprise fund – funds restricted to the operation and support of the utility) was approved with no rate increase to Township residents and customers with public sewer service (approximately 1,211 residential --813 townhome & 398 single-family detached and 29 commercial/institutional). Residential sewer service is a fixed rate while commercial account charges are based upon consumption.

2016 Quarterly Single Family Detached fixed rate is \$204.27

2016 Quarterly Townhome fixed rate is \$158.16

The Township is fully outsourcing sewer billing invoicing and collections in 2016 with the services of MuniBilling. One advantage to customers, as requested, will be multiple payment options including online and auto pay.

In 2016, the Township will complete a system valuation / original cost study (AUS Consultants). This study will provide a basis for valuing the sewer system for both capital reserve planning and future financial management.

The sewer system and fund budget is well capitalized and includes the recommended capital contribution (from the 2012 Carroll Engineering Reserve Analysis) of \$44,680 and also recommended funding for related annual system inspection and maintenance.

18 HIGHWAY IMPROVEMENT FUND

The Highway Improvement Fund (HIF) supports the design and construction of road improvements and serves a secondary function as a contingency fund ing source for roads and related infrastructure. Revenues originally were derived from developer contributions during the 1990's and it does not have a current / ongoing revenue stream.

The 2016 Budget includes a Low Volume Dirt / Gravel Road Grant (\$10,000) for limited drainage improvements to Ravine Road. Also planned for inclusion in the Highway Improvement Fund Budget for 2016 is an ARLE (Automatic Red Light Enforcement Program – PADOT) Grant (if awarded) for limited pedestrian safety improvements at the intersection of Rt. 322 and Bradford Plaza. This is a joint grant application with the Borough and Township.

The projected fund balance 12-31-2016 for this sinking fund is estimated at \$195,000.

35 LIQUID FUELS FUND

Receipts for the State Liquid Fuels Fund are provided through the Pennsylvania Department of Transportation (PADOT) from fuel tax (\$0.503 / gallon unleaded). Use of the fund is restricted to road maintenance/reconstruction and related equipment. The annual receipt is an essential funding source for Township road maintenance projects. The Liquid Fuels annual allocation from PADOT is on an upward trend due to Act 89 of 2013 – the PA Transportation Funding Act. The preliminary allocation notice from the Commonwealth is for a 14% increase in the annual receipt from \$276,077 in 2015 to estimated \$314,732 for 2016.

The cost of road construction/maintenance continues to increase annually and the Township Road Maintenance Program requires substantial added funds from the General Fund and Capital Fund (\$240,000 for 2016 *including Interfund Transfers*) to keep to schedule with the long range Township Road Maintenance Plan.

Winter maintenance road salt, road line painting & sign replacements also are expended from the Liquid Fuels Budget totaling over \$77,000.

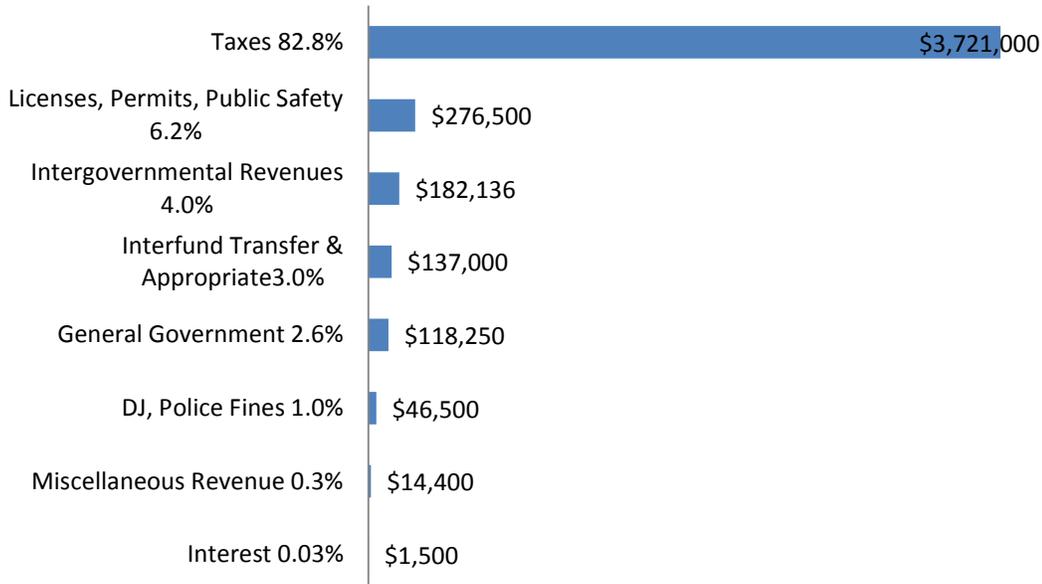
Budgeted funds for planned road resurfacing improvements from all Township fund sources (General, Capital & Liquid Fuels) for 2016 is \$500,000.

12-31-15 Fund Balance \$251,870
 12-31-16 Projected Fund Balance \$49,078

The 2016 General Fund, Capital Reserve Fund and Open Space Fund Budgets are available on the Township web site www.eastbradford.org for detailed and additional information. Questions or comments on the Township budgets can be addressed to the Township Manager / Treasurer (Michael P. Lynch) mlynch@eastbradford.org.

A breakdown of general fund revenues and expenditures is provided below.

GENERAL FUND BUDGET 2016 REVENUE



GENERAL FUND BUDGET 2016 EXPENDITURE

