



2018 Budget – Preliminary

November 8, 2017

Budget Process

Public Budget Work Sessions, which are open to the public, are held each fall. This year there were 5 sessions:

- Tuesday, October 17 at 4pm - Overview
- Wednesday, October 25 at 4pm – Department Heads
- Wednesday, November 1 at 4pm – Volunteer Boards
- Wednesday, November 8th after 7pm (Preliminary Budget)
- Wednesday, December 13th after 7pm (Final Budget)



Goals and Priorities Established June 2016

- Developing a Sustainable Funding Plan
- Managing Development & Growth
- Acquire Open Space, Develop Parks & Provide Recreational Programming
- Develop Renovated Municipal Infrastructure & Provide Comprehensive Services
- Citizen Involvement & Township Identity



2018 Goals and Metrics - Administration

Goal	Measurement	Target Completion Date
Developing a Sustainable Funding Plan	Create Five Year Financial Plan with Sustainable Revenues Supporting Desired Service Levels	Q3 2018
Managing Development & Growth	Refer to Planning, Zoning & Development	Refer to Planning, Zoning & Development
Acquire Open Space, Develop Parks & Provide Recreational Programming	Identify Properties for Acquisition; Design Concept Plans for Key Parks; Complete Recreation Needs Analysis	Q3 2018
Develop Renovated Municipal Infrastructure & Provide Comprehensive Services	Complete Feasibility Study for Administration, Public Safety & Trail Head Facilities	Q3 2018
Citizen Involvement & Township Identity	Increase e-News Subscriptions; Develop Branding Strategy	Q2 2018 Q2 2018



2018 Goals and Metrics - Police

Goal	Measurement	Target Completion Date
Traffic: Have all signs, speed limits, etc., updated by traffic unit and corrected as needed.	All road signs within code.	Q3 2018
Implement new hiring procedure and inserting the manpower onto the schedule.	Provide sufficient manpower in place and make workforce stable.	Ongoing until complete
Improve employee (sworn officer and civilian) morale; Improve working facilities.	Reconfigure squad room to update old furniture, carpets, paint, and reconfigure for updated equipment.	Q3 2018
Accreditation for 2017 continuation.	Complete all policies revisions and building transformations including equipment updates to be in full compliance.	Q4 2018



2018 Goals and Metrics - Codes & Life Safety

Goal	Measurement	Target Completion Date
Develop Codes & Life Safety Policy Manual	Day to day guide	Q4 2018
Reduced Engine Company Arrival Time. Manage Arrival of Emergency Responders	Establish baseline time and work with EWWFA to establish goal arrival time	Q4 2018
Increase Emergency Management Coordinator Assistants	Provide needed training and orientation	Q4 2018
Conduct research to determine a need for implementing a Housing Inspection Program (Routine & Property Maintenance)	Cost Benefit Analysis	Q4 2018
Finalize & Implement Career & Volunteer Procedures	Fire Department Strategic Plan and Operating Procedures	Q2018



2018 Goals and Metrics Planning & Development

Goal	Measurement	Target Completion Date
Comprehensive Ordinance Update	Completed Update	Q4 2018
Official Township Map	Completed Map	Q4 2018
Route 30 Corridor Study	Completed Study	Q2 2018
Transportation (Act 209) Study	Completed Study	Q2 2018
Streamline Paper Records	Convert Files to Uniform System	Q4 2018



2018 Goals and Metrics

Public Works

Goal	Measurement	Target Completion Date
Take dedication of the Whiteland Village Sewer Extension	Dedication accepted	Q2 2018
Complete design of sewer projects for Planebrook Road area and Swedesford, Bacton Hill and Conestoga Road area	Design Completed	Q4 2018
Design of Trail Connections and begin construction (Bryn Erin and Mill Lane)	Design Completed and ready for construction	Q4 2018
Maintain Road Resurfacing Program of 40,000 SY	Complete 40,000 SY of Resurfacing	Q3 2018
Complete Commercial Sewer Rate & Tapping Fee Studies and Update Ordinance	Ordinance Updated	Q2 2018





General Fund

*Preliminary Budget
November 8, 2017*

2018 Preliminary Budget: Revenue Comparison

General Fund Revenues	2017 Budget	2018 Preliminary Budget	% Change 2017 to 2018
Earned Income Tax	\$5,300,000	\$5,700,000	7.5%
Local Services Tax	1,209,000	1,250,000	3.4%
Real Estate Tax	640,174	663,000	3.6%
Real Estate Transfer Tax	1,000,000	1,000,000	0%
Permits, Licenses, Fees	1,948,275	1,965,350	0.9%
Fines	100,000	100,000	0%
Interest Earnings	3,750	7,500	0%
Pension Aid, State Shared Revenue	434,995	476,235	9.5%
Grants	46,228	37,850	-18.1%
Other	66,090	33,900	-48.7%
Total Revenues	\$10,748,512	\$11,233,835	4.5%



Real Estate Tax Rates

- **Tax Rate:** \$0.445 for Every \$1,000 in Assessed Value
- **No Tax Increase in 2018**
 - In 1996, Earned Income Tax (EIT) was adopted at 0.5% and has remained steady for 20 years.
 - Between 1996 and 1999, Real Estate Tax (RET) rate dropped a total of 98.2% changing from 24.2 to 0.445 mills.
- **Impact**
 - Average Residential Assessment - \$204,500 (Nov 2015)
 - Average Annual Township Taxes = \$91.00
 - Rate is 11th lowest of 73 Municipalities in Chester County
 - No business privilege or mercantile tax



2018 Preliminary Budget – Workforce

Department	Full Time	Part Time (FTE)	Total FTE Employees
Administration	6	0	6
Codes & Life Safety	15	14.5 (5.1)	20.1
Planning & Zoning	3	0	3
Police	23	XX (4.0)	27
Public Works	15	2 (1)	16
Recreation	0	18 (0.9)	0.9
Total Employees	62	34.5 (11)	73
FTE – Full Time Equivalent		2,080 Hours	



Statewide Challenges: Fix The Numbers

PA League of Municipalities

41% of Pennsylvanians live in a municipality that is financially distressed.*

- Unsustainable public safety employee pensions.
 - 66 of Pennsylvania's 67 counties have at least one municipality with a pension plan under a high level of financial stress.**
- Outdated binding arbitration law handcuffs municipalities during negotiations.
 - Under current law, fiscal stability does not have to be considered when new contracts are awarded through binding arbitration.
- Tax-exempt properties within municipal borders use services, but pay no taxes.
 - In Pennsylvania, at least 542 communities have a significant percentage of tax-exempt properties.

*Pennsylvania Economy League of Greater Pittsburgh, April 2015

**Public Employee Retirement Commission, 2012



2018 Preliminary Budget: Expenditure Comparison

General Fund Appropriations	2017 Budget	2018 Preliminary Budget	% Change
Administration	\$1,579,938	\$1,615,926	2.3%
Police	4,820,663	4,785,615	(0.7%)
Codes & Life Safety	2,740,312	2,878,126	5.0%
Public Works	1,561,428	1,556,716	(0.3%)
Planning & Zoning	363,112	480,195	32.2%
Parks & Recreation	90,796	99,706	9.8%
Total Operating Expense	\$11,156,249	\$11,416,284	2.3%
Debt Service	224,174	505,500	125.5%
Transfer to/from Other Funds	50,000	(166,320)	-
Total Expenses	\$11,430,423	\$11,755,464	2.8%



2018 Preliminary Personnel Costs: Annual Rate Increases

	2014	2015	2016	2017	2018
Police*	3.75%	3.95%	3.95%	4.0%	4.0%
Firefighters*	3.5%	3.5%	3.5%	**	**
Codes & Life Safety	3.95%	3.0%	3.0%	3.0%	TBD
Public Works*	3.95%	3.0%	3.0%	3.0%	3.0%
Administration	3.95%	3.0%	3.0%	3.0%	TBD

*Collectively Bargained

**Currently in Arbitration (Act 111)



Pension Funds: Minimum Municipal Obligations (MMO)

Year	Police	Non-uniformed	Fire	Total	% Change
2013	\$226,207	\$373,698	\$82,023	\$681,928	23%
2014	\$232,636	\$372,463	\$85,251	\$690,350	1%
2015	\$341,597	\$343,163	\$75,802	\$760,562	10%
2016	\$353,111	\$344,313	\$85,040	\$782,464	3%
2017	\$301,808	\$229,024	\$104,772	\$635,604	(18.8%)
2018	\$306,487	\$217,572	\$105,280	\$629,339	(0.01%)
2019*	\$516,890	\$414,107	\$162,508	\$1,093,505	73.8%



December 2016 Fund Balances (Savings Accounts)

- General Fund (\$4.3 Million) and Capital Improvement Fund (\$4.7 Million)
- Operating Contingency (17% or \$1,945,382), Tax Stabilization (\$1,750,000) and Pension Stabilization (\$500,000)
- Long Term Road Improvement Plan
 - Age and price all Township roads over the next 12 to 15 years, using average estimated useful life
 - Minimize budget volatility each year
 - Started replacing highest risk roads in 2016
 - \$500,000 transferred into Capital Improvement Fund
 - In 2018, projects continue; funding temporarily suspended
- Long Term Capital Equipment Plan
 - Minimize budget volatility each year
 - \$500,000 transferred into Capital improvement Fund
 - Started amortizing \$367,600 in 2016
 - In 2018, replacements continue; funding temporarily suspended





2018 Preliminary Budget: \$521,629 Deficit Further Solutions Considered



- 2018 Budget Requests - \$1.3 Million Deficit
- Cost Reduction or Deferral & Revenue Projection Increases - \$800,000
- Apply for More Grants to Offset Expenses
- Additional Cost Reduction Initiatives - Limited
 - Wages & Benefits – Governed by Labor Contracts
 - Operating Expenses
 - 11% of Total Expenses
 - Mostly Fixed Costs
- Public Financial Management (EIP) – 5 Year Financial Plan
- Fee Schedule Changes – Multiple Solutions Pending

2018 Preliminary Budget Conclusion

- No tax increase proposed for 2018.
- Board of Supervisors and staff continually evaluate the budget and Township operations to contain costs and improve efficiency.
- The tax climate for residents and businesses remains favorable.
- Services provided by Boards and Commissions and volunteers play a significant role in containing costs.
- Township staff must continue working with Developers to complete projects that will fund transportation and infrastructure improvements, keep taxes affordable, ensure healthy business climate, prevent blight and serve Township residents.





Comments and Questions

East Whiteland
Township