



Proposed 2013 Budget

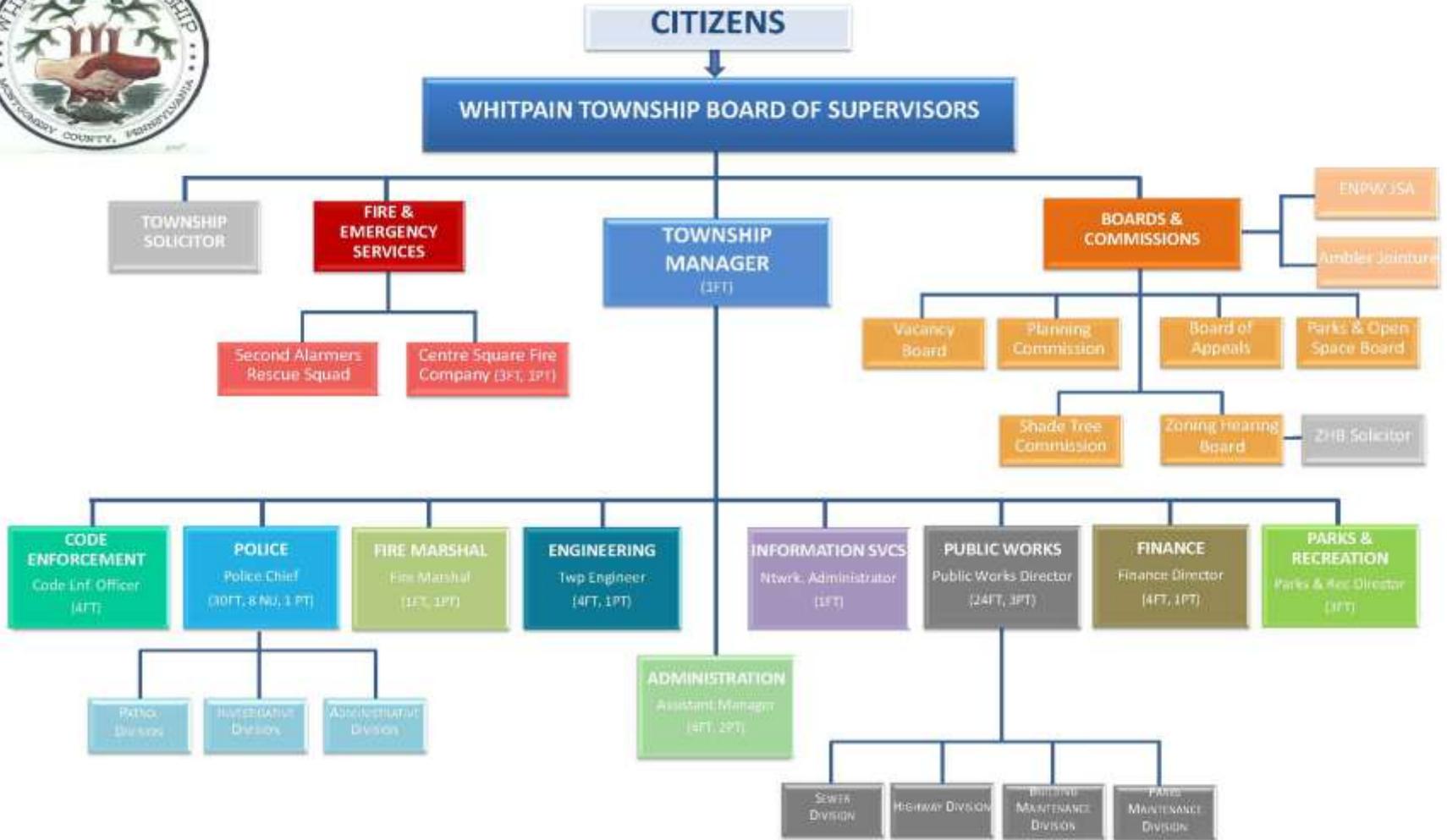
as presented October 16, 2012

Whitpain Township

Agenda

- ▶ **Summary:**
 - **No tax increase in 2013**
 - **No tax increases anticipated for next 2-3 years**
- ▶ Requirement & Process
- ▶ Background
- ▶ General Fund
 - Revenue
 - Expenditures
- ▶ Capital Reserve
- ▶ Summary & Questions





Township Organization

Full Time Employees = 87
Part Time Employees = 10

Staffing Reductions (2010-2014) = 6 (not currently budgeted)

Requirement

§ 27-4: *“The Township Manager shall prepare and submit the annual budget to the Board, together with such explanatory comments as deemed necessary, and administer the approved budget.”*

Budget Process

- ▶ Preparation of the Annual Budget/Five Year Budget Plan is a year-long collaboration between the BOS and Staff enabled by a committee process (*Finance, Operations, Fire/Rescue, and others*)
- ▶ Public Budget Work Sessions are held each fall; this year there will be 3 sessions open to the public:
 - ▶ October 16th (evening), October 23rd (morning), and November 13th (morning)
 - Additionally, comments will be received at the Board of Supervisors meetings on Nov 20th & Dec 4th

Major Initiatives 2012

▶ **Public Private Partnerships**

1. Manor House at Prophecy Creek Park

- ▶ Elimination of ongoing maintenance costs
- ▶ Facility improvements privately funded
- ▶ Expected future revenue generated for open space purposes of approx. \$300,000 annually

2. Cook Farm Community Park

- ▶ Approx. \$4.5 million of improvements being built without tax dollars
- ▶ Improvements include: 7 fields (with the ability to add an 8th in the future), paved and woodland walking trails, sophisticated stormwater management system, and a state of the art irrigation system which uses rainwater.

Manor House at Prophecy Creek Park

Acquired 1999

83 Acres

Intersection
Improvements
2011

Public Private
Partnership
with Robert
Fair Caterers
March 1, 2011



Cook Farm Community Park



SITE PLAN
SCALE: 1" = 100' OCTOBER 19, 2011

LANDCONCEPTS - HIBBELD ENGINEERING COMPANY, L.L.C.
590 SKIPSWICK PARK, SUITE 300
DUBLIN, PA, 19022

COOK TRACT ATHLETIC FIELDS
WHITPAIN TOWNSHIP, MONTGOMERY COUNTY, PA

West Ambler Revitalization - Plan of Action & Milestones

*Northeastern portion of
Whitpain Township*

Area \approx 60 Acres

125 Properties

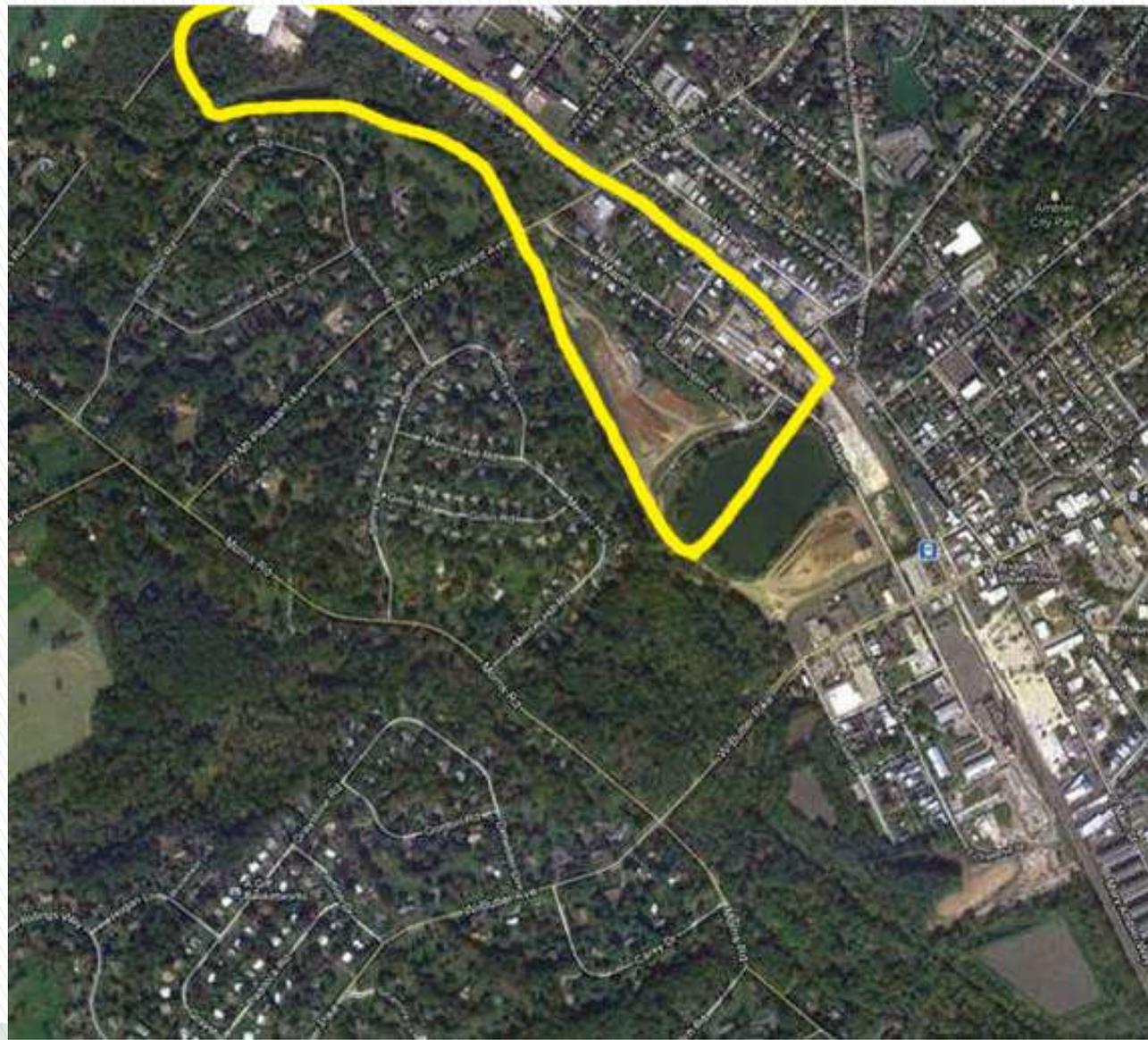
Borders:

North
Railroad
Lower Gwynedd and Ambler

East
Upper Dublin

South
Wissahickon Creek

West
Mathers Road





- Flooding
- Environmental Contamination
- Underutilization and Revitalization Potential

- Environmental Protection Agency
 - Completing Phase I Removal Action
 - Conducting Remedial Investigation & Feasibility Phase

West Ambler Revitalization Environmental Issues

West Ambler Revitalization

Repeated Flooding

- Inter-governmental & inter-agency partnerships with Temple's Center for Sustainable Communities, U.S. Army Corps of Engineers, EPA, DEP, etc.



Major Initiatives (con't)

3. West Ambler Revitalization – Plan of Action & Milestones

- ▶ Flooding – including Rose Valley assessment and recommendations
- ▶ Environmental Issues – Contamination
- ▶ Revitalization
- ▶ Intergovernmental and interagency partnerships
 - ▶ Expected outcomes:
 - ▶ Improved quality of life for residents
 - ▶ Reduced crime
 - ▶ Increased property values
 - ▶ Greater tax revenues

Major Initiatives (con't)



4. Financial Strength & Fiscal Security

- ▶ Bond Issue
- ▶ Refinancing of existing debt - \$400,000 savings
- ▶ Aaa Rating from Moody's
- ▶ Only 5 townships in the Commonwealth have obtained this status
- ▶ Low overall debt, conservative budgeting, and strong tax base
- ▶ Moving from Aa to Aaa saved taxpayers \$50,000 in lower interest payments on the latest bond issue
 - ▶ Five-year Budget Planning Process
 - ▶ Operating and Capital Budgets
 - ▶ Best practices learned from the business community
 - ▶ Ensures long-range planning for financial stability

Committee Structure

- ▶ Finance Committee
- ▶ Fire and Rescue Services Committee
- ▶ Operations Committee
- ▶ Special Committees
 - ▶ West Ambler Revitalization
 - ▶ Land Development
 - ▶ Boys & Girls Club
 - ▶ Cook Farm Community Park
 - ▶ Wings Field



Committee Accomplishments 2012

▶ Finance Committee

- ▶ Reviewed proposals and selected legal firm for personnel matters
- ▶ Reviewed proposals for banking services, resulting in lower fees and enhanced services
- ▶ Negotiating CBA with Police Department
- ▶ Evaluated Township debt and issued bond resulting in a savings of \$400,000
- ▶ Implemented delinquent sewer bill collection program to collect over \$314,000
- ▶ Solicited proposals & completed comprehensive review of healthcare insurance coverage & premiums, resulting in lower premiums



Committee Accomplishments

▶ Operations Committee

- ▶ Formalizing the Township's continuous improvement processes with appointment of Assistant Manager to lead our program (Lean Six Sigma for Government)
- ▶ Identified and analyzed opportunities for continuous improvement throughout all Township departments and operations
- ▶ Reviewed succession planning and recommended changes for budget consideration
- ▶ Evaluated facility and capital needs & recommended budget adjustments for those needs



West Ambler Committee Accomplishments Cont.

- ▶ Developed preliminary concepts
- ▶ Initiated a multi-municipal project to address flooding of the Rose Valley Creek that impacts Whitpain Township, Ambler Borough, and Upper Dublin Township. Whitpain's investment of \$25,000 was matched with \$125,000 from the other municipalities and the US Army Corps of Engineers
- ▶ Solicited proposals and selected consulting team for Maple Ave Streetscape Project

Major Accomplishments - Staff

- ▶ Financial management software (Munis) implementation
- ▶ Completed Phase I of permitting software project
- ▶ Filing system standardization and electronic storage
- ▶ Completed Phase I and began Phase II of Narcissa Road Trail and continued planning for Township-wide trail system



Major Accomplishments – Staff Cont.

- ▶ Disaster Recovery Plan completed for catastrophic loss at municipal complex
- ▶ Online permit application system and online credit card payments
- ▶ Replaced phone system
- ▶ Continued power conservation program by installing motion sensors for lights, installing energy efficient light fixtures, and replacing HVAC system



Major Accomplishments – Staff Cont.

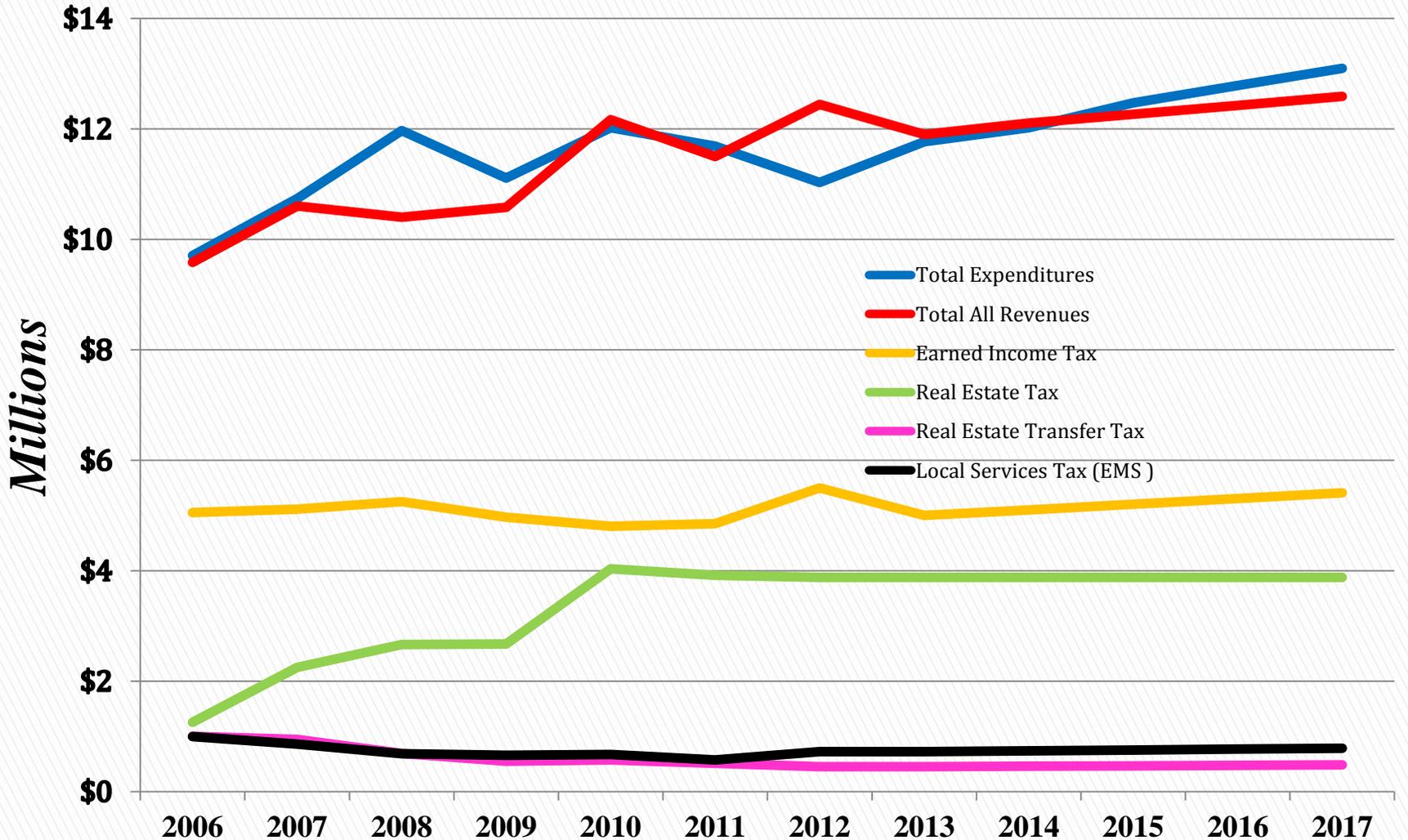
- ▶ Re-evaluated and updated fee schedule to match expenses
- ▶ Completed Municipal Separate Storm Sewer System (MS4) permit application and developed compliance plan for Total Maximum Daily Load (TMDL) requirements
- ▶ Instituted employee development program and commenced PSU's Leadership Training Program for 23 staff members. (Program completely paid for by the Delaware Valley Insurance Trust.)



Continuing Budget Challenges

- 1. Depressed economy** (*flat earned incomes, slow real-estate market, unpredictable returns on pension fund investments*)
- 2. Escalating costs & inflation** (*health care, energy, materials, and gasoline*)
- 3. Aging infrastructure** (*bridges/roadways, sewers, facilities*)
- 4. Reductions in assessed property values of \$762,350 due to assessment appeals**
- 5. Federal & Commonwealth action/inaction**
 - Unfunded mandates (*stormwater, water quality, other environmental mandates, annual police training, & prisoner transport*)
 - Deferred funding for important transportation projects

Revenue & Expenditure Trends



Operating Deficits/Surplus: (120,139) (135,001) (1,567,241) (532,051) 143,294 187,108 1,416,619 131,993 80,632 (210,846) (361,607) (506,630)

Operating *Deficits*/Surplus

2013 Budget

Whitpain Township

Flat Taxable Assessment Base

▶ **MONTCO Board of Assessment Appeals** *(Year to date)*

- ▶ 119 changes as of Sept. 2012
- ▶ .05% increase
- ▶ 2013 anticipated increase in Real Estate Tax revenues ~ \$3,300 total
- ▶ Anticipated increase may be reduced since appeal hearings still pending

Year	Taxable Assessment	Change from Prior Year	
		Dollars	%
2000	1.86 B	-93,140,810	
2001	1.89 B	29,041,360	1.56%
2002	1.92 B	27,853,235	1.48%
2003	1.93 B	17,625,480	0.92%
2004	1.94 B	11,145,940	0.58%
2005	1.95 B	10,695,320	0.55%
2006	1.98 B	21,541,320	1.10%
2007	1.99 B	15,194,130	0.77%
2008	2.00 B	10,826,696	0.54%
2009	2.006 B	3,630,460	0.18%
2010	2.007 B	1,099,255	0.05%
2011	2.007 B	-425,670	-0.02%
2012	1.984 B	-23,721,489	-1.18%
2013 (Est)	1.985 B	1,036,545	0.05%

Taxable Assessment Base

Tax Rates

▶ Millage

▶ General Fund	2.02
▶ Fire Tax	0.40
▶ Fire Hydrant	0.05
▶ <u>Debt Service</u>	<u>0.73</u>
	<u>3.20</u> mills



▶ Impact

- ▶ Average residential assessment ~ \$226,000
- ▶ Average Township tax bill = \$723 (***\$60.25 per month***)
- ▶ No tax increase in 2013
- ▶ No tax increase anticipated over next 2-3 years

Total Local Tax Bill



Wissahickon School District

17.925/73.8%

\$4,051



Whitpain

3.2/13.2%

\$723



Montgomery County

3.152/13%

\$712

(Amounts based on average residential assessment of \$226,000)

Services Received (for \$60.25 a month)

- ▶ Police protection
- ▶ Fire protection
- ▶ Emergency medical services
- ▶ Road maintenance (*including snow/ice clearance*)
- ▶ Emergency management & response
- ▶ Engineering services (*stormwater, traffic, etc.*)
- ▶ Code enforcement (*building safety, fire safety, etc.*)
- ▶ Land use planning/zoning control
- ▶ Environmental protection
- ▶ Interface and counseling with residents
- ▶ Parks & Open Space (*446 acres of parkland*)



Proposed 2013 General Fund Budget

as presented October 16, 2012

Whitpain Township

2013 General Fund Overview

➤ **Projected Revenue**

\$11,898,450

Major Revenue Sources

Earned Income Tax	\$5.00 M
Real Estate Tax	\$3.88 M
Local Services Tax (<i>EMS</i>)	\$0.73 M
Deed Transfer Tax	\$0.45 M (150,000 reduction)

➤ **Budgeted Expenditures:**

\$12,266,447

Major Appropriations/Expenditures

Police	\$5,339,956 (44%)
Public Works & Facilities	\$2,771,977 (23%)
Administration	\$1,055,211 (8%)
Parks & Recreation	\$ 623,544 (5%)
Transfer to Capital Reserve	\$ 500,000 (4%)
Misc. & Transfers	\$1,975,759 (16%)

2013 Expenditures for Personnel

▶ *Personnel Costs*

- ▶ Salaries & wages = \$6.09 M
 - ▶ Health benefits = \$1.32 M
 - ▶ Pension = \$0.82 M
 - ▶ TOTAL = \$8.23 M
(67% of overall General Fund)
- ▶ **MMO:** Total Minimum Municipal Obligation (MMO) for pensions = \$904,493

		POLICE	NON-UNIFORMED	COMBINED
YEAR	TYPE	PLAN	PLAN	TOTALS
2004	Actual	163,647	313,790	\$477,437
2005	Actual	355,988	435,234	\$791,222
2006	Actual	281,109	441,093	\$722,202
2007	Actual	258,036	464,591	\$722,627
2008	Actual	238,174	455,723	\$693,897
2009	Actual	271,853	463,939	\$735,792
2010	Actual	287,303	480,450	\$767,753
2011	Actual	531,609	669,152	\$1,200,761
2012	Budget	437,130	506,304	\$943,434
2013	Budget	423,699	480,794	\$904,493
2014	Projected	464,000	488,000	\$952,000

MMO for Township Pension Funds

Cost Containment Measures (Personnel)

▶ **Salary & Benefits**

- ▶ Pension plan changes for new employees (*Defined Contribution vs. Defined Benefit*)
- ▶ 4% cap on health benefits
- ▶ *Family health benefits no longer covered for new employees*

▶ **Staffing**

- ▶ Created an internship program in cooperation with Montgomery County Community College and Wissahickon School District to utilize students for the Scanning Project and other clerical tasks.
- ▶ *Continued cross training of staff*

Cost Containment Measures (Operations)

▶ **Operations**

- ▶ Digitized existing plans and documents to reduce physical space required for storage, which helped reduce mailing and copying costs, while expediting information retrieval.
- ▶ *Moved to electronic distribution of Board and Commission packets to save on postage, copying, and delivery costs.*
- ▶ *Engaged in an effort to reduce energy consumption which yielded \$12,000 in annual savings.*
- ▶ *Public / Private Partnerships*
- ▶ *Conducted a competitive evaluation of healthcare costs*



2012 - 2013 Expenditures Comparison

<i>General Fund Appropriations</i>	<i>2012 Approved Budget</i>	<i>2013 Proposed Budget</i>
Supervisors	103,325	96,885
Administration	1,065,341	1,055,211
Finance	314,604	332,292
Tax Collector	109,948	104,148
Law	190,000	270,000
Computer & Info. Systems	97,285	126,272
Planning & Engineering	290,238	302,596
Municipal Buildings	345,633	340,347
Police	5,232,566	5,339,956
Fire Marshal	219,675	225,896
Code Enforcement	454,269	446,929
Zoning Hearing Board	50,405	70,741
Public Works	2,299,609	2,431,630
Park & Recreation	602,900	623,544
Transfer to Capital Reserve	1,000,000	500,000
General Fund Total Appropriations	<u>12,375,798</u>	<u>12,266,447</u>

2012 - 2013 Expenditures Comparison

➤ **2012 Expenditure Performance**

Approved Budget	\$12,375,798
Transfer to Cap. Reserve (Add'l)	\$3,300,000
<u>Year-End Projection</u>	<u>\$15,329,894</u>
PROJECTED UNDERSPEND	\$ <u>345,904</u>

➤ **Budgeted Expenditure Comparison**

2013 Proposed Budget	\$12,266,447
<u>2012 Approved Budget</u>	<u>\$12,375,798</u>
DECREASE	\$ <u>109,351 (-0.9%)</u>

(Decrease is primarily due to the reduction in annual transfer to Capital Reserve.
Excluding Capital Reserve transfer budget change = 3.4%)

General Fund 5 Year Summary

GENERAL FUND	2012 Budget	2012 Year End Projection	2013	2014	2015	2016	2017
BEGINNING BALANCE	\$7,045,406	\$7,045,406	4,147,735	3,779,728	3,360,360	2,649,514	1,787,907
REVENUES	12,024,500	12,446,513	11,898,450	12,104,634	12,263,906	12,426,581	12,591,463
EXPENDITURES	12,375,798	12,044,184	12,266,457	12,524,002	12,974,752	13,288,188	13,598,093
SURPLUS (DEFICIT)	(351,298)	402,329	(368,007)	(419,368)	(710,846)	(861,607)	(1,006,630)
TRANSFER TO CAPITAL RESERVE	-	(3,300,000)	-	-	-	-	-
POST TRANSFER BALANCE	6,694,108	4,147,735	3,779,728	3,360,360	2,649,514	1,787,907	781,277
ASSIGNED TO OPERATING RESERVE (17% = two months)	(2,103,886)	(2,047,511)	(2,085,298)	(2,129,080)	(2,205,708)	(2,258,992)	(2,311,676)
AVAILABLE FOR TAX STABILIZATION RESERVE	4,590,222	2,100,224	1,694,430	1,231,280	443,806	(471,085)	(1,530,399)

Capital Reserve Fund

Beginning Balance 2013	\$ 5,079,134
Revenues & other funding sources	\$ 202,500
Sale of proceeds & interest	\$ 17,000
<u>Transfer from GF</u>	<u>\$ 500,000</u>
Available	\$ 5,798,637
<u>Budgeted Expenditures</u>	<u>\$ 1,737,400</u>
Ending Balance	\$ <u>4,061,237</u>

Budgeted Expenditures 2013

	<u>2012</u>	<u>2013</u>
▶ Land & Buildings	238,750	459,000
▶ Bridges & Road Construction	0	295,000
▶ Autos, Trucks & Equipment	288,200	262,400
▶ Office, IT/Communication Equip.	221,000	41,000
▶ Improvements	<u>275,000</u>	<u>680,000</u>
▶ TOTALS	<u>1,022,950</u>	<u>1,737,400</u>



Capital Reserve Summary 2013-2017

	2013	2014	2015	2016	2017	2013-2017	Other Rev. Sources	Cap. Resrv. Funding
Land & Buildings	459,000	255,000	170,000	2,000,000	1,500,000	4,384,000	-	4,384,000
Bridges & Road Construction	295,000	1,078,754	831,045	269,980	137,280	2,612,059	1,297,500	1,177,279
Autos, Trucks & Equipment	262,400	462,000	211,500	309,780	125,856	1,371,536	-	1,245,680
Furniture & Office Equipment	41,000	16,000	16,000	5,000	10,000	88,000	-	56,000
Improvements	680,000	1,100,000	1,100,000	1,650,000	-	4,530,000	375,000	4,155,000
Grand Total	1,737,400	2,911,754	2,328,545	4,234,760	1,773,136	12,985,595	1,672,500	11,155,239

2013 Capital Reserve Items

Total Capital Items for 2013 - \$1,737,400 - Summary follows:

Land & Buildings	Budget
Police Building Roof Replacement	30,000
Roof Cover Over PW Parking	120,000
Parking Lot Modifications	100,000
Lighting Upgrades Admin. Halls & Common Areas LED	12,000
Remediation Building Upgrades	135,000
Digital Sign Entrance to Wentz Rd	50,000
Comprehensive Facility Analysis	12,000
Total	459,000

2013 Capital Reserve Items (con't)

Bridges & Road Construction	Budget
West Ambler Flood Control & Revitalization	250,000
Yost Road Bridge	20,000
LED Traffic Signal Upgrades	25,000
Total Bridges & Road Construction	295,000

Autos, Trucks & Equip.	Budget
Replace C-07 Ford Escape (2006)	24,000
Replace C-09 Ford Explorer (2002)	24,000
Replace T-22 GMC 2 (1993)	179,000
Replace T-02 Ford F-250 (2001)	23,000
Replace 2007 John Deere Mower	12,400
Total Autos, Trucks & Equipment	262,400

2013 Capital Reserve Items (con't)

Furniture & Office Equipment	Budget
Financial Software and Installation	12,000
Replace two-way radios @1000/ea. (PW)	6,000
Network Servers (Exchange, File & Fin.)	18,000
Public Meeting Room Upgrades	5,000
Total Furniture & Office Equipment	41,000

Improvements	Budget
West Ambler Improvements	55,000
Reg'l. Water Quality Enhancements	200,000
West Ambler Sidewalks	125,000
Plymouth/Morris Rds. Drainage Improvements	250,000
Plymouth Rd/Morris Rd to PBBP	50,000
Total Improvements	680,000

Capital Reserve Fund Summary

CAPITAL RESERVE FUND	2012	2013	2014	2015	2016	2017	Total 2013 - 2017
BEGINNING BALANCE	\$1,390,562	\$5,079,137	\$4,061,237	\$2,303,983	\$1,024,938	-\$2,392,822	
REVENUES & OTHER FUNDING SOURCES	1,017,000	202,500	637,500	532,500	300,000		1,672,500
SALE OF PROCEEDS & INTEREST		17,000	17,000	17,000	17,000	17,000	
REFINANCING SAVINGS	394,525						
TRANSFER TO CAPITAL RESERVE	3,300,000	500,000	500,000	500,000	500,000	500,000	
EXPENDITURES	(1,022,950)	(1,737,400)	(2,911,754)	(2,328,545)	(4,234,760)	(1,773,136)	(12,985,595)
ENDING BALANCE	\$5,079,137	\$4,061,237	\$2,303,983	\$1,024,938	-\$2,392,822	-\$3,648,958	

Independent Analysis of Budget, Finance, and Taxes

- The best measure of our financial health and tax structure comes from an independent outside analysis
- In 2012, two well-respected organizations, Moody's Analytics and Pew Charitable Trusts, recognized Whitpain for sound financial management and for the low tax burden placed on its residents
- Maillie, Falconiero & Co. has been retained to conduct independent annual audits



Aaa Bond Rating



- The Aaa rating reflects Whitpain's sound financial position and extremely strong capability to meet its debt obligations
- Only 4 other townships in the Commonwealth have achieved this rating
- Moody's recognized the Township's low amount of debt and conservative budgeting

Pew Charitable Trust Analysis of Taxes

- In 2012, Pew studied the tax burden faced by residents in the Philadelphia region
- Analysis included: local property tax, local and state earned income tax, and local and state sales tax on consumer purchases
- 120 communities in Bucks, Delaware, Chester and Montgomery Counties were examined.
- Whitpain residents faced the 6th lowest tax burden in the 4 county area, and the 2nd lowest in Montgomery County

Lowest PA Suburban Taxes

COUNTY	MUNICIPALITY	STATE AND LOCAL TAX BURDEN ON NONCOMMUTERS	STATE AND LOCAL TAX BURDEN ON COMMUTERS
LOWEST			
Chester	Birmingham Township	10.1%	13.8%
Chester	East Bradford Township	10.1%	12.5%
Bucks	Newtown Township	10.0%	12.7%
Montgomery	Plymouth Township	10.0%	12.7%
Montgomery	Whitpain Township	10.0%	12.6%
Chester	Thornbury Township	9.9%	12.6%
Delaware	Thornbury Township	9.9%	12.6%
Bucks	Solebury Township	9.7%	12.4%
Chester	Easttown Township	9.6%	13.2%
Montgomery	Upper Merion Township	9.1%	12.8%

Information provided by The Pew Charitable Trusts

Conclusion

- ▶ No tax increase in 2013 and none anticipated for 2 – 3 years
- ▶ Revenues and expenditures remain stable for the next fiscal year; however, expenditures are projected to exceed revenues in future years
- ▶ Elected officials, staff members, and committee members continually evaluate the budget and Township operations to eliminate waste and improve efficiency
- ▶ Independent evaluations show Whitpain Township's financial strength

Upcoming Meetings

- ▶ Budget Work Sessions

- ▶ October 23rd 9:00 AM
- ▶ November 13th 9:00 AM

- ▶ Board of Supervisors Regular Meetings

- ▶ November 20th 8:00 PM
- ▶ December 4th 8:00PM

- ▶ Anticipated Budget Adoption

- December 4, 2012

