



FY 2016 TOWNSHIP BUDGET

BUDGET STATUS

BOARD OF COMMISSIONERS
NOVEMBER 19, 2015

FINANCIAL CHALLENGES: RISING COSTS, STAGNANT REVENUES

- Like many municipalities throughout the Commonwealth of Pennsylvania, increasing costs and flat revenue have created a “structural imbalance” for West Norriton. Operating Expenditures have outpaced Operating Revenues.
 - Health Care and Pension obligations continue to rise while revenues remain relatively stagnant



REVENUE IMPACTS

- FY 2016 is a projection at this time

Township Taxable Assessments		
Change in Assessment by Year		
<u>Year</u>	<u>Assessment</u>	<u>Change</u>
2016	\$975,336,901	4,301,900
2015	\$971,035,001	877,930
2014	970,157,071	-1,535,256
2013	971,692,327	-599,330
2012	972,291,657	-201,680
2011	972,493,337	510,090
2010	971,983,247	1,518,850



TAX COLLECTION RATE

Assessed Value	Purpose	Millage as a percent	Billable	Collection at 97%	Collection at 96%	Collection at 95%	Collection at 90%
\$ 975,336,901	Total	0.003530000	\$ 3,442,939.26	\$ 3,339,651.08	\$ 3,305,221.69	\$ 3,270,792.30	\$ 3,098,645.33
\$ 975,336,901	General Purpose	0.002415000	\$ 2,355,438.62	\$ 2,284,775.46	\$ 2,261,221.07	\$ 2,237,666.69	\$ 2,119,894.75
\$ 975,336,901	Debt	0.000847000	\$ 826,110.36	\$ 801,327.04	\$ 793,065.94	\$ 784,804.84	\$ 743,499.32
\$ 975,336,901	Fire House Maintenance	0.000198000	\$ 193,116.71	\$ 187,323.21	\$ 185,392.04	\$ 183,460.87	\$ 173,805.04
\$ 975,336,901	Parks & Rec	0.000070000	\$ 68,273.58	\$ 66,225.38	\$ 65,542.64	\$ 64,859.90	\$ 61,446.22
		0.003530000	\$ 3,442,939.26	\$ 3,339,651.08	\$ 3,305,221.69	\$ 3,270,792.30	\$ 3,098,645.33

F7 2016 Budget based on collection rate of 97%

CURRENT BUDGET NUMBERS

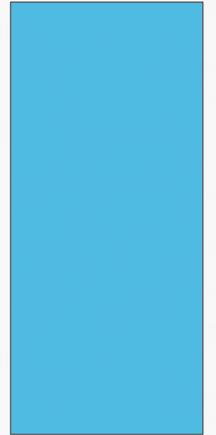
Updated Preliminary FY 2016 General Fund Budget has a projected deficit of **\$1,341,679**

Updated Preliminary FY 2016 Golf Fund Budget has a projected deficit of **\$36,666**

Total Deficit = \$1,378,345

FY 2016 GENERAL FUND

WEST NORRITON TOWNSHIP



EXPENSE ITEMS- GENERAL FUND

- The following items have been reviewed:
 - Healthcare Renewal
 - Renewal reduced from 17 % average increase to 6% average increase
 - 11% savings to FY 2016 Township Budget or \$197,274 across all funds

Plan	Current	Renewal	Revised Renewal
PPO 15 (Police)	\$30,175.21	\$38,996.60	\$35,445.05
PPO 15	\$88,190.61	\$99,145.09	\$90,115.78
PPO 7	\$14,715.70	\$14,842.28	\$13,490.73
POS 10B	\$21,224.11	\$27,528.80	\$25,021.66
Per month:	\$154,305.63	\$180,512.77	\$164,073.22
		\$314,485.68	\$117,212.28

IMPACTS TO FY 2016 BUDGET

- Increased pension obligations for Uniformed & Non-Uniformed Plans

MMO	2016	2015	Difference
Non-Uniform	\$443,039	\$271,970	\$171,069
Uniform	\$1,340,004	\$952,976	\$387,028

- **\$558,097** increase is due to:
 - Use of excessive rates of return (Reduced from 8% to 7.25%)
 - Increased life expectancy of retirees and current employees raises future pension costs (Updated mortality tables)
 - ***Changes are part of the PA Auditor Generals' Report on Municipal Pensions dated January 2015***

IMPACTS TO FY 2016 BUDGET WAGE ANALYSIS

	2015 Budget	2016 Budget
AFSCME	15	15
Police	27	27
Management	8	8

	<u>FY 2016</u>	<u>FY 2015</u>	<u>Difference</u>
AFSCME	\$614,910.40	\$603,470.40	\$11,440
Police *w/Chief & Deputy Chief	\$2,662,928.94	\$2,585,367.90	\$77,561.04
Management	\$469,320.16	\$460,117.80	\$9,202.36

IMPACTS TO FY 2016 BUDGET COST ALLOCATION PLAN

- Township hired Maximus to preform a Central Services Cost Allocation Plan
 - Based on Actual Expenditures for Fiscal Year ending December 31, 2014.



IMPACTS TO FY 2016 BUDGET COST ALLOCATION PLAN

- Plan used to allocate certain General Fund expenditures to the Sewer Fund.
 - Approximately **\$428,567** has been allocated to Sewer Fund
 - *Updated to **\$1,008,849** after further review of expenses*
 - *Review included additional expenses from Public Works Department and existing debt service.*
- Percentages were calculated based on actual expenditures from cost-allocation plan. Certain categories were revisited after study completed.
- Sewer Fund has retained **\$1,076,742** in revenue based on plan for proposed FY 2016 Budget
 - *Updated to reflect a surplus of **\$496,460***
 - **Recommended to maintain surplus for future capital projects**

TOWNSHIP BUDGET OVERVIEW

- Proposed Budgets as of 11/18/2015

Fund	Updated FY 2016	FY 2016	FY 2015
General	\$9,970,754	\$10,723,398	\$10,154,067
Golf	\$1,405,203	\$1,415,971	\$1,372,099
Sewer	\$3,120,194	\$3,616,654	\$3,596,401
Liquid Fuels	\$382,129	\$382,129	\$325,278
Debt Service	\$1,464,018	\$1,464,018	\$1,419,976
Emergency Services	\$375,775	\$375,775	\$397,981

FUNDING GAP

Fund	Proposed Budget	Current Tax Mills	Deficit
General Fund	\$ 9,970,754	3.53	-\$1,341,679
Golf Fund	\$ 1,374,616	0	-\$36,666

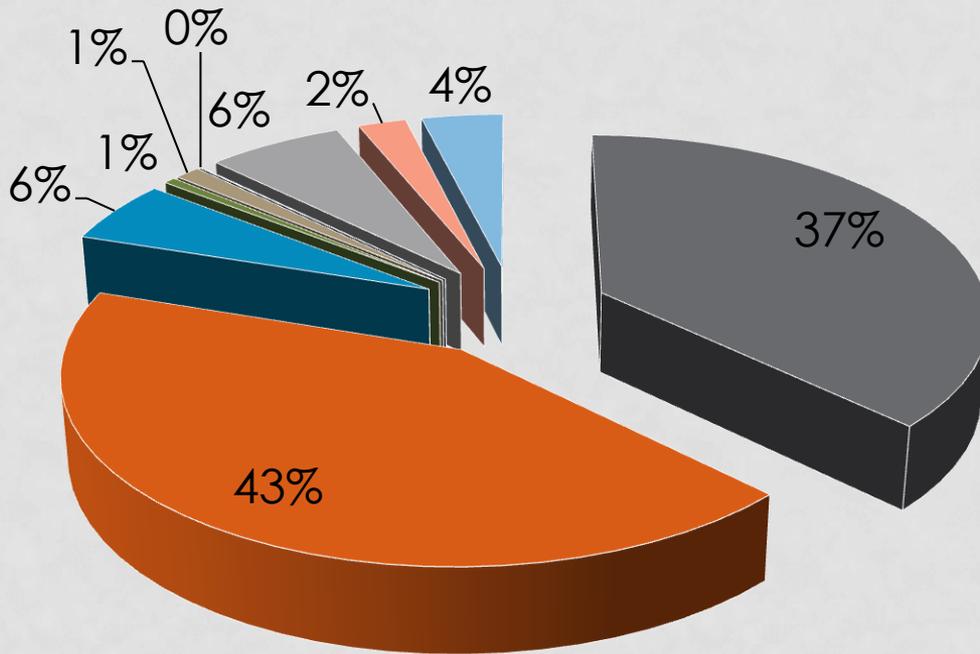
What makes up the Millage:

	Millage	Revenue Generated (at 97% collection)
General Fund	2.415	\$2,284,776
Debt Service	0.847	\$801,328
Recreation	0.07	\$66,226
Fire Department	0.198	\$187,324
Total	3.53	\$3,339,652

Revenue Generated based on preliminary 2016 Assessment of \$975,336,901

BUDGET REVENUES GENERAL FUND

Revenues



■ Real Estate Taxes

■ Act 511 Taxes

■ Business/Non-Business Licenses

■ Fines

■ Shared Revenues

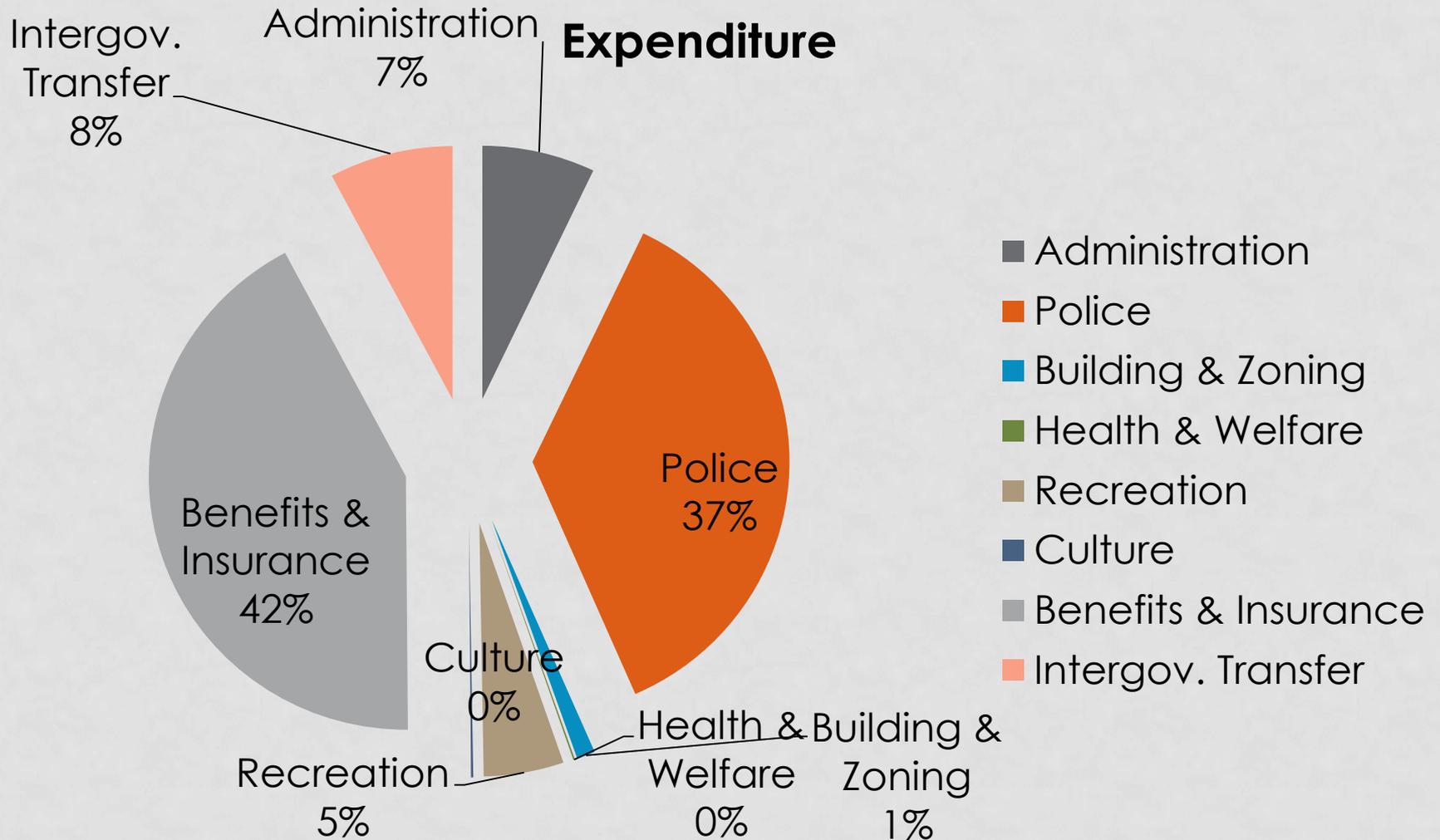
■ Charges for Services

■ Public Safety & Highway

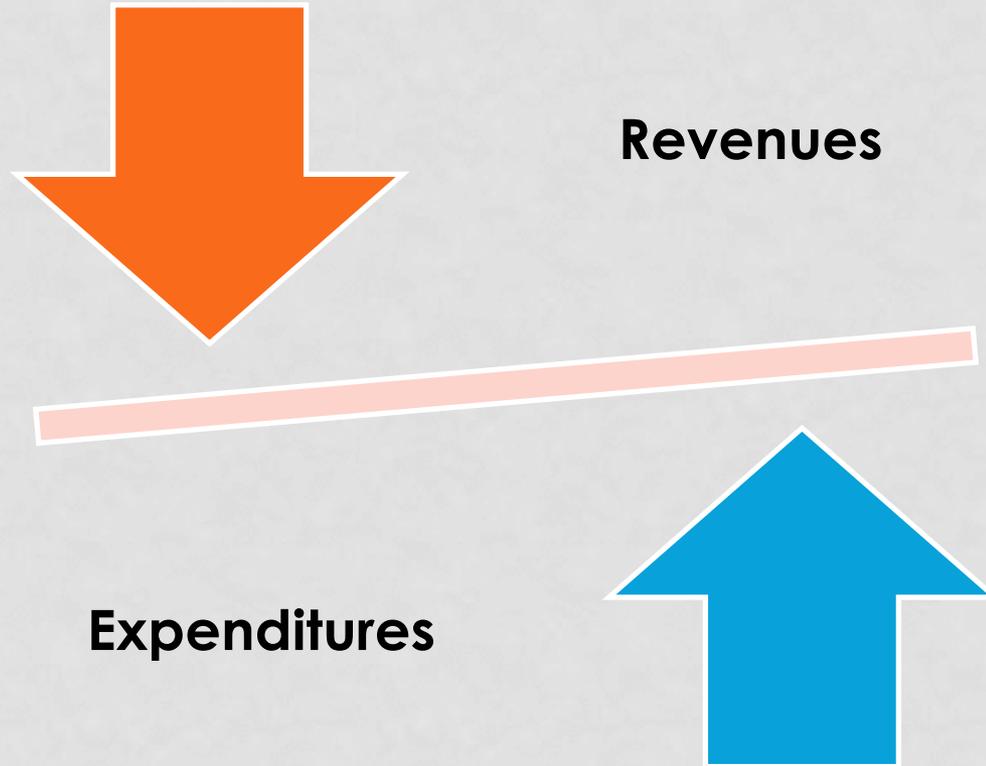
■ Recreation & Culture

■ Misc. Receipts

BUDGET EXPENDITURES GENERAL FUND



BUDGET REVENUES VS. EXPENDITURES GENERAL FUND



BUDGET REVENUES VS. EXPENDITURES GENERAL FUND

Revenues

\$8,622,700

Updated: \$8,629,075

Expenditures

\$10,723,398

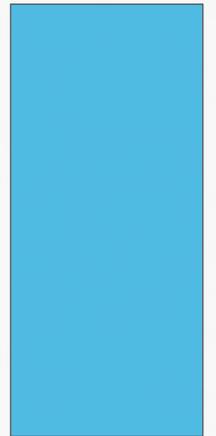
Updated: \$9,970,754

(\$2,100,698) as of 11/4/2015 for FY 2016

Updated: (1,341,679) as of 11/19/2015 for FY 2016

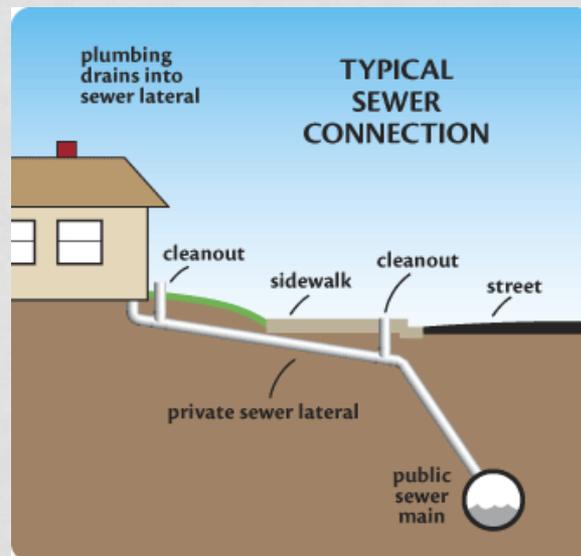
FY 2016 SEWER BUDGET

WEST NORRITON TOWNSHIP



FY 2016 SEWER BUDGET

- FY 2016 drafted based on the cost-allocation plan written by Maximus
- Sewer Fund revenues reflect rate increase that went into effect on January 1, 2015
 - No proposed rate increase for FY 2016



FY 2016 SEWER FUND EXPENDITURES

- Approximately \$428,567 in new expenditures have been moved from the General Fund to the Sewer Fund
 - **Updated to \$1,008,849 in new expenditures**
 - New expenditure categories:
 - Administration (GL 400-401)
 - Audit (GL 402)
 - Technology (GL 407)
 - General Government Building (GL 409)
 - Public Works (GL 430-438)
 - Benefits & Insurances (GL 483-486)

BUDGET REVENUES VS EXPENDITURES SEWER FUND

Revenues

\$3,616,654

Updated: \$3,616,654

(FY 2015 \$3,596,401)

Expenditures

\$2,539,912

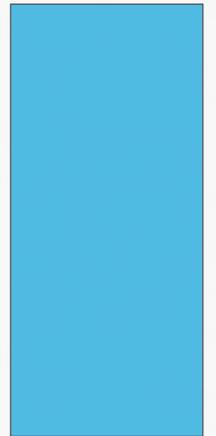
Updated: \$3,120,194

(FY 2015 \$3,596,401)

\$496,460 Surplus for FY 2016

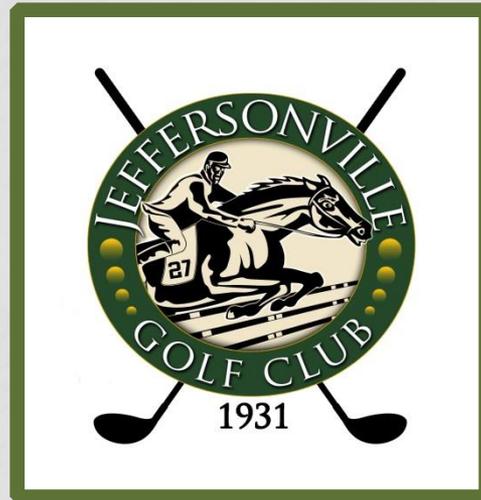
FY 2016 GOLF FUND

WEST NORRITON TOWNSHIP



BUDGET REVENUES GOLF FUND

- Revenues for the FY 2016 Budget have been based on the impact of the winter to the course.
 - February/March 2015 has little/no play due to snow and ice.
 - Greens Fees and Cart Rentals have been estimated based on this scenario.



BUDGET REVENUES VS EXPENDITURES GOLF FUND

Revenues

\$1,199,458

Updated: \$1,368,537

Expenditures

\$1,415,971

Updated: \$1,405,203

Current deficit of \$36,666

RECOMMENDED FEE INCREASES

Rate Categories	Approximate Number of Rounds (In-Season)	Proposed Price Increase	Projected Increase of Revenue Based on Proposed Price Increase
Monday - Friday Regular	3800	\$1.00	\$3,800.00
Monday - Thursday Senior	2500	\$0.00	\$0.00
Monday - Friday After 2:00PM	1300	\$1.00	\$1,300.00
Monday - Friday After 4:00PM	4300	\$1.00	\$4,300.00
Weekend Regular	6500	\$2.00	\$13,000.00
Weekend After 2:00PM	1200	\$2.00	\$2,400.00
Weekend After 4:00PM	1000	\$1.00	\$1,000.00
7 Day After 6:30PM	750	\$0.00	\$0.00

\$25,800.00

Increase from Victory & Tee Time Books

\$7,000.00

Increase from Annual Pass Prices

\$5,000.00

Total Approximate Increased Revenue

\$37,800.00

Based on "in-season" rounds only, which is April 1st through October 31st.

GENERAL FUND DEFICIT

Current deficit is \$1,341,679

Options to Reduce/Eliminate Deficit

- 1. Reduction of staff/services and a smaller tax increase**
- 2. Tax increase to cover \$1,341,679 deficit**



QUESTIONS?

