NORTH WHITEHALL TOWNSHIP
PRESENTATION OF THE PROPOSED 2020 BUDGET
December 2, 2019

The following 2020 Final Budget and Fiscal Plan is being presented to the Board of Supervisors for review and adoption.

GENERAL FUND

The General Fund balance of cash and designated unreserved fund balances on 11/01/2019 is $5,375,757.

2020 General Fund Revenues are budgeted at $4,687,740.

The Earned Income Tax continues to be the major source of revenue for the General Fund accounting for nearly 56% of the revenues. The next highest source of income is the Real Estate Tax which accounts for 15% of the revenues.

2020 General Fund Expenditures are budgeted at $4,687,740.

Public Works / Roads are projected to total $1,318,736 or 33% of the General Fund Expenditures. This constitutes the largest percentage of the expenditures.

To recap:

Anticipated General Fund Reserve (as of 10/31)	**$5,375,757**
The projected General Fund Revenues total	**+ $4,687,740**
The projected General Fund Expenses total	**- $4,687,740**
The projected balance of cash and designated unreserved funds as of 12/31/2020 totals	**$5,375,757**

The General Fund budget includes the following new line items, increased funding or revisions:

1. 01-400.2500 Codified Ordinances proposes $5,000 to begin the process of online codification of ordinances. This has been budged in 2018 & 2019.
2. 01-411.1000 Fire Company Contributions has been increased by $8,000 ($2,000 per company)
3. 01-412.5400 Ambulance Contribution has been increased by $4,000 to a total of $60,000.
4. 01-436.2100 MS4 Program maintains $75,000 in funding. The Township needs to finalize the permit submission and obtain it's permit in 2020. Permit approval will have a large bearing on future capital MS4 projects which are required to comply with the permit. Once identified these projects will be budgeted in the Capital program.
5. 01-437.1000 Vehicle Maintenance will be utilized as the primary expense line item for vehicle maintenance which was previously expensed in vehicle specific line items. Vehicle expenses will continue to be tracked internally within the Public Works Department, but this change will consolidate many budget line items into one. ($105,000)
6. 01-437.2000 Equipment Rental line item has been budgeted for $10,000. This will address equipment needs for projects that require equipment that is currently now owned by the Township, or to utilize in place of purchasing equipment that is used infrequently (such as a paver).
7. 01-492.3100 Road Machinery Transfer budgets $200,000 to be transferred to the Road Machinery Fund.
8. 01-492.8000 Capital Projects Transfer budgets $195,000 to be transferred to the Capital Fund.
9. Other planned upgrades include the phone system & data server.

OTHER FUNDS

STREET LIGHT FUND

The Street Light Fund is a special purpose fund, which maintains streetlights in various neighborhoods. The properties benefiting from these lights pay an assessment. The current fund balance (10/31/19) is $52,837. The total budgeted revenue for this fund is $64,200 and the total budgeted expense for this fund is $64,000.

SEWER FUND

The sewer fund is an enterprise fund for the operation of the public sewer system owned by the Township and operated and maintained by the Public Works Department. It is a gravity system which for the most part was installed in the 1990's. The fund has experienced minimal operating expenses up to this point, but the Township is planning to evaluate the system in detail, beginning with hiring a contractor to inspect the condition of the lines and manholes and submit a report and recommendations for future repairs and capital projects. The fund has been operating on an average deficit of 15% the past two years. After discussing the matter with our General Planning Engineer Stephen Gitch, I am recommending an increase of $1.00/unit to the sewer customers to balance the budget 2020 budget. This equates to a 17.4% increase ($5.75 per unit to $6.75 per unit). This will cost the average customer approximately $20 per quarter. Depending on the outcome of the system evaluation, future capital planning may be required.

Of the current $383,283 fund balance, $194,000 is set aside for system repair and maintenance. The system evaluation is estimated to cost approximately $50,000. The projected revenue and expenditures (including the rate increase) are balanced at $206,500.

STATE LIQUID FUELS FUND

The Liquid Fuels Fund supports street and road maintenance and improvements. Funding is received from the state based on Township road miles and population. As such, this fund is audited by the Commonwealth. The current balance is $1,488. In 2020 the Township anticipates receiving $679,000 in Liquid Fuels funds from the Commonwealth. A total of $675,000 in street and road maintenance expenses are projected for 2020. Total road and street maintenance expenses are expected to exceed $675,000 and are included in line item 01-438.000 "Road Maintenance / Supplies" in the General Fund.

ROAD MACHINERY FUND

These funds allocate monies for the purchase of vehicles and major equipment. The current balance is $699,246. The projected funding for this fund includes interest earnings ($6,000), sale of used equipment ($40,000) and a $200,000 transfer from the General Fund totaling $246,000. A pickup and a utility truck planned for purchase in 2019 will be purchased in full in 2020. Other planned expenses include debt/lease payment for the 2018 dump truck, 2018 wheel loader, skid steer, 2019 backhoe and 2019 Freightliner dump truck. Additional planned purchases include a self contained leaf truck ($85,000), a hot box to replace our very aged hot box ($50,000) and a utility vehicle ($50,000) to be used on the IRT and within the parks for maintenance.

The total projected expenditures of $503,200 will leave a reserve of $442,046. In 2020 the Township Manager will be working with the Public Works Director to prepare a comprehensive replacement budget program to plan for long term fleet upkeep.

EMERGENCY SERVICES LONG TERM CAPITAL RESERVE FUND
This fund was developed with the intent to assist our ambulance corps and the 4 fire companies with the purchase of vehicles through a Township grant program. The current fund balance is $398,108. The projected revenue is $117,800 which includes a $112,000 transfer of revenues from the General Fund and $5,800 in interest. No expenditures are projected for 2020 leaving a fund balance of $515,908.

CAPITAL PROJECTS FUND
The Capital Projects Fund is funded by the General Fund and its purpose is to plan for large projects and upgrades to minimize the budget implications that large projects may impose at any one time on the General Fund. The current fund balance is $1,534,978. The proposed budgeted revenue is a $195,000 from the General Fund.

Proposed 2020 expenditures for this fund total $667,500 and include security upgrades, heating and cooling upgrades and lighting upgrades at the municipal complex. Additional expenditures include Park Valley Road bridge replacement, drainage improvements at Amanda Drive and Laury's FH Park, the demolition of the Neffs Pool and grant matching funds for the paving of the Ironton Rail Trail.

The projected reserve fund balance as of December 31, 2020 is $1,063,878.

2020 FINAL BUDGET SUMMARY

The total revenue projected in all funds is $5,637,440 (General, Street Lighting, Sewer & Liquid Fuels). The draft General Fund budget as proposed at this is balanced and as such I do not recommend an increase in Township Real Estate tax, however this is at the discretion of the Board.

The municipal staff and officials are dedicated to continuing to closely monitor the fiscal health of the Township and make necessary improvements for providing quality service in the most efficient and cost effective manner possible.

The 2020 proposed budget is hereby presented for the Board of Supervisors' review and approval.

Upon the November 4, 2019 approval of the draft preliminary budget, adoption of the final budged was be scheduled for tonight. This budget was advertised and available for public inspection for 20 days prior tonight's adoption.

I want to thank the Supervisors and the Township staff for all their time and effort involved in assisting in the preparation of this budget.

Christopher Garges
Township Manager
North Whitehall Township