

TOWNSHIP OF

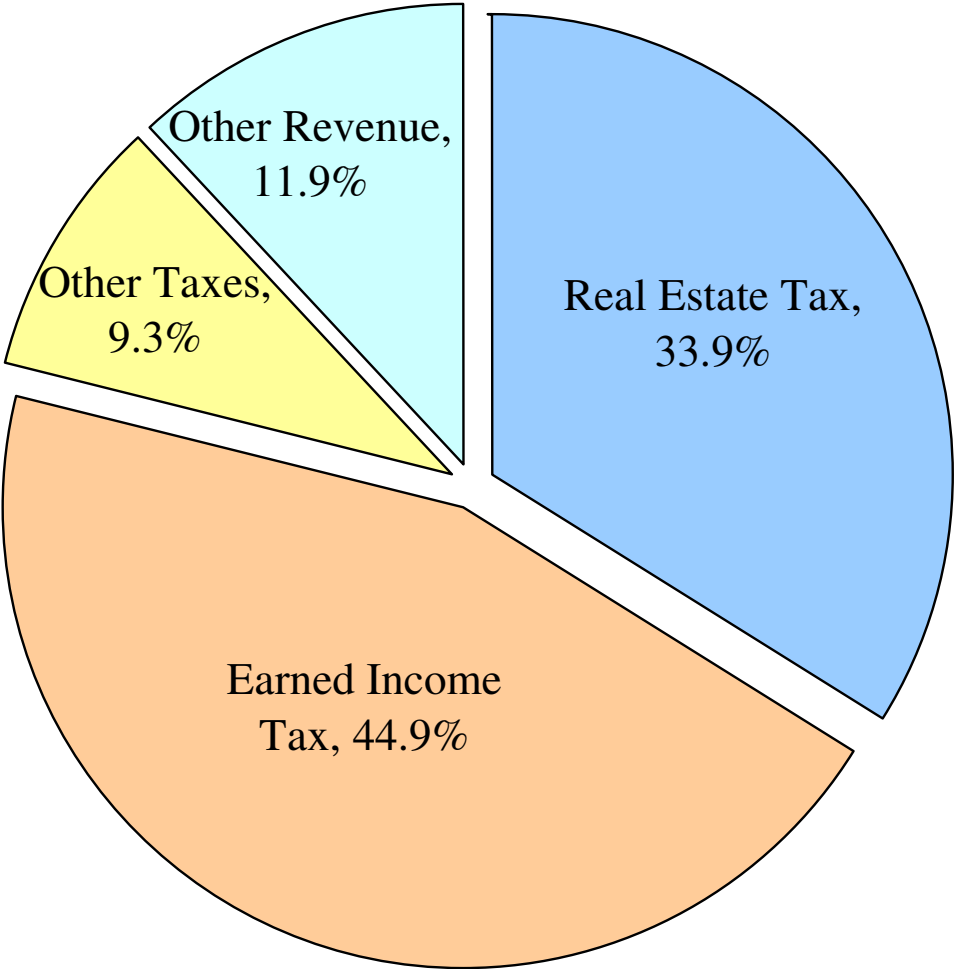
Upper St. Clair

PENNSYLVANIA

2009 PROPOSED BUDGET



GENERAL FUND
WHERE THE MONEY COMES FROM



***2009 OVERALL BUDGET SUMMARY
REVENUES FOR ALL FUNDS***

	<u>General</u>	<u>Other</u>	<u>Percentage</u>
Real Estate Taxes	\$ 5,576,771	\$ -0-	20.66%
Earned Income Taxes	7,370,000	-0-	27.30%
Other Taxes	1,529,000	-0-	5.66%
Sewer User Fees	-0-	4,114,000	15.24%
Licenses & Permits	132,550	10,000	.53%
Fees & Fines	394,700	48,500	1.64%
Interest & Rent	199,450	82,100	1.04%
Service Agreements	169,817	4,500	.65%
Other Non-Tax Revenues	711,000	1,399,235	7.82%
Recreation Fees	349,160	1,787,137	7.91%
Fund Reserve	-0-	1,185,341	4.39%
Transfers	<u>-0-</u>	<u>1,933,496</u>	<u>7.16%</u>
Totals	\$ 16,432,448	\$10,564,309	100.00%

2009 Budget Assumptions and Considerations

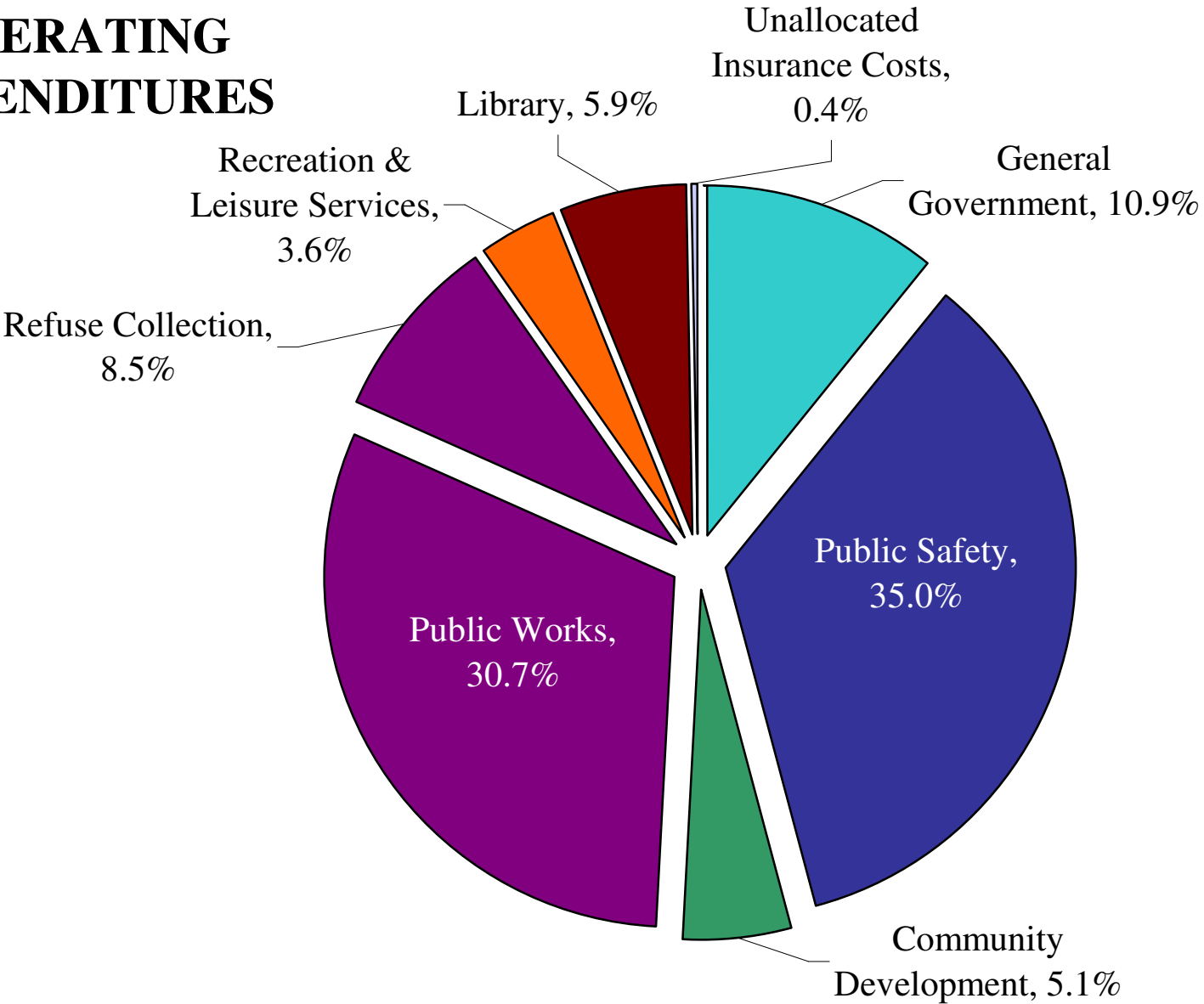
- Current Real Estate Taxes-3.40 mills with Current Assessment base projected at no growth.
- Earned Income taxes are projected at about a .5% growth rate over 2008 actual collections based on economic forecasts for 2009.
- Local Services Tax has been increased by \$65,000 from 2008 due to four quarters of the tax being collected.
- RAD sales tax receipts are projected to be at 2008 levels.

2009 Budget Assumptions and Considerations

- Real Estate Transfer Tax has been projected based on collection patterns of the last three years and housing market conditions.
- Investment Earnings are based on cash flow and interest rates projections for 2008.
- Increases in State Aid for pension plans are projected at 3.5% based on the last two years of experience.
- Recreation fees are estimated as provided by the Recreation Director and historical collection patterns.

GENERAL FUND
WHERE THE MONEY GOES

**OPERATING
EXPENDITURES**



***2009 OVERALL BUDGET SUMMARY
EXPENDITURES FOR ALL FUNDS***

	<u>General</u>	<u>Other</u>	<u>Percentage</u>
General Government	\$ 1,497,466	\$ 179,000	6.21%
Public Safety	4,639,011	-0-	17.18%
Community Development	675,433	-0-	2.50%
ALCOSAN Payments	-0-	2,189,000	8.11%
Refuse Collection	1,128,725	-0-	4.18%
Public Works	4,079,910	2,067,889	22.77%
Recreation	473,208	2,716,518	11.82%
Library	776,437	295,875	3.97%
Debt Service	1,258,762	2,045,717	12.24%
Capital Improvements	-0-	984,000	3.65%
Fund Reserve	-0-	56,310	.21%
Transfers	<u>1,903,496</u>	<u>30,000</u>	<u>7.16%</u>
Totals	\$16,432,448	\$10,564,309	100.00%

2009 Budget Assumptions and Considerations

- Police Officers Contract - hourly wages at an increase of 3.5%.
- Public Works - Contract Negotiations - hourly wages estimated to increase about 3.5%.
- Management and all other Township workers - an increase of 3.5% will be used.

2009 Budget Assumptions and Considerations

- Health Insurance rates are projected to increase by 5%.
- For 2008, the police pension MMO is \$224,544 and the Teamsters MMO is \$128,406. This is a net increase of \$5,798 from 2008.
- Workers' Compensation has increased by about 25% due to new State ratings for work classifications and an increase of the experience modification factor from .881 in 2008 to 1.101 in 2009.

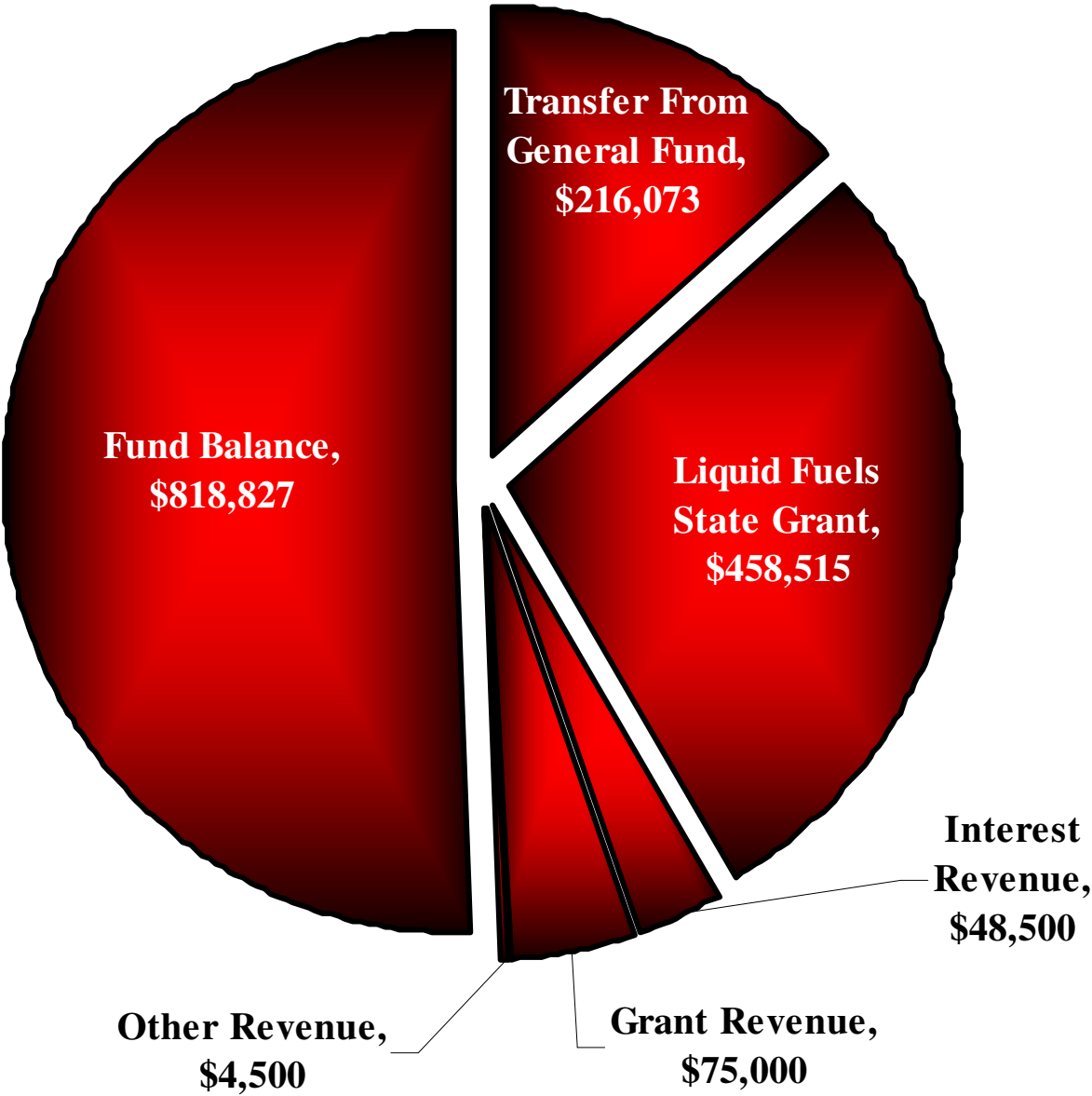
2009 Budget Assumptions and Considerations

- Life insurance and long term disability have increased by an overall 13%.
- All other Insurance costs are projected to remained stable.
- The scheduled increase in the Garbage Contract is about 30%.
- Salt contract has been increased \$50,000 to cover the quoted increase from SHACOG.

2009 Budget Assumptions and Considerations

- Debt Service payments include the portion of the 2003 Bond Issue that was not refunded of \$516,499, the 2006 Bond Issue of \$230,120, the 2007 Bond Issue of \$263,717, and the 2008 Bond Issue of \$248,426 for a total of \$1,258,762. The principal and interest payment projected for the Community Recreation Center (CRC) for 2009 is shown in the Boyce/Mayview Community Recreation Center Fund at \$1,150,297 and will be covered by a transfer from the General Fund in 2009.
- Other Township expenditures are projected to at about 2%.

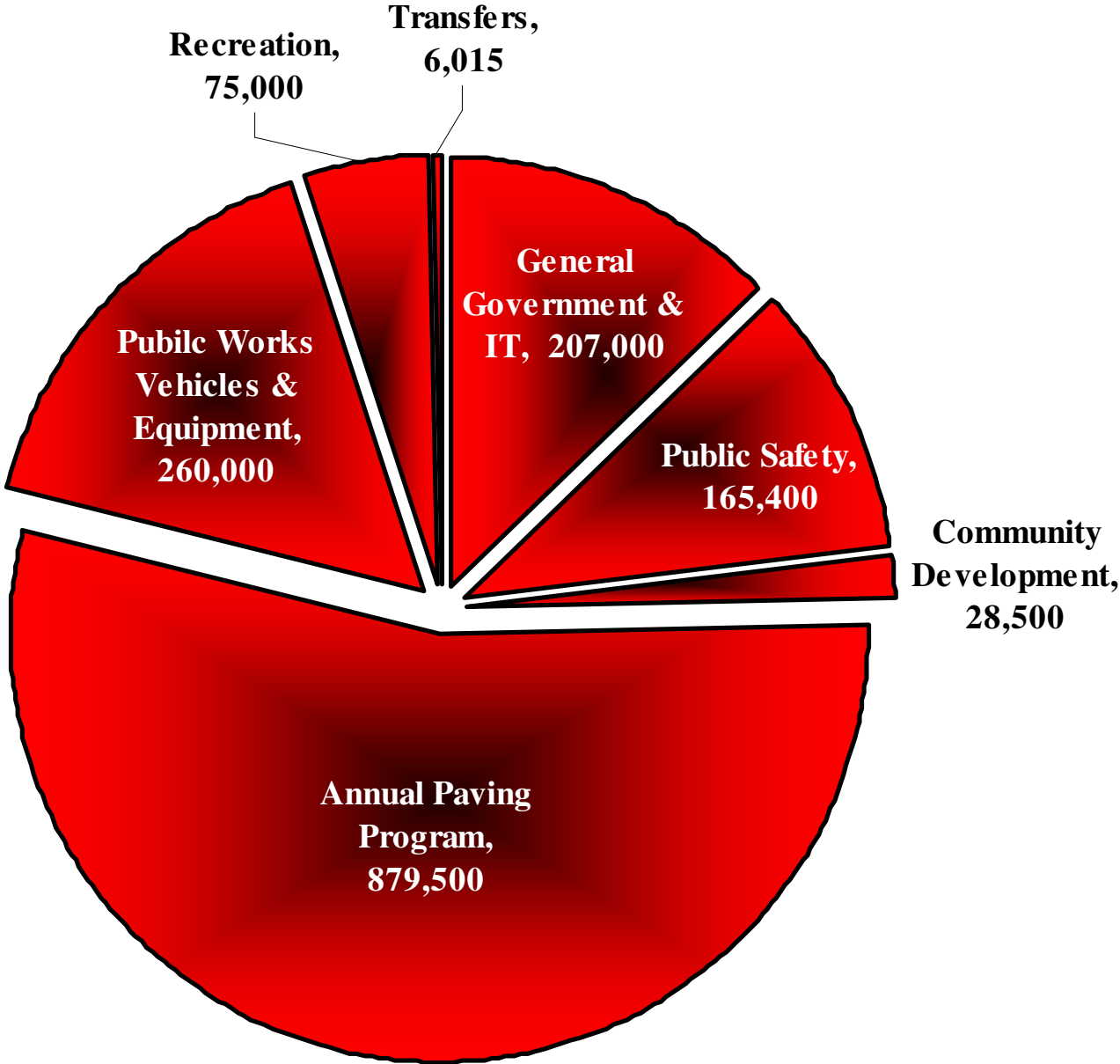
***CAPITAL PROJECTS & LIQUID FUELS FUNDS
WHERE THE MONEY COMES FROM***



***2009 BUDGET SUMMARY
FOR CAPITAL and LIQUID FUELS REVENUES***

	<u>Amount</u>	<u>Percentage</u>
Interest	\$ 48,500	2.99%
Service Agreements	4,500	.27%
Liquid Fuels State Grant	458,515	28.28%
DCNR Grant	75,000	4.63%
Fund Reserve	818,827	50.50%
Transfers	<u>216,073</u>	<u>13.33%</u>
Totals	\$1,621,415	100.00%

***CAPITAL PROJECTS & LIQUID FUELS FUNDS
WHERE THE MONEY GOES***



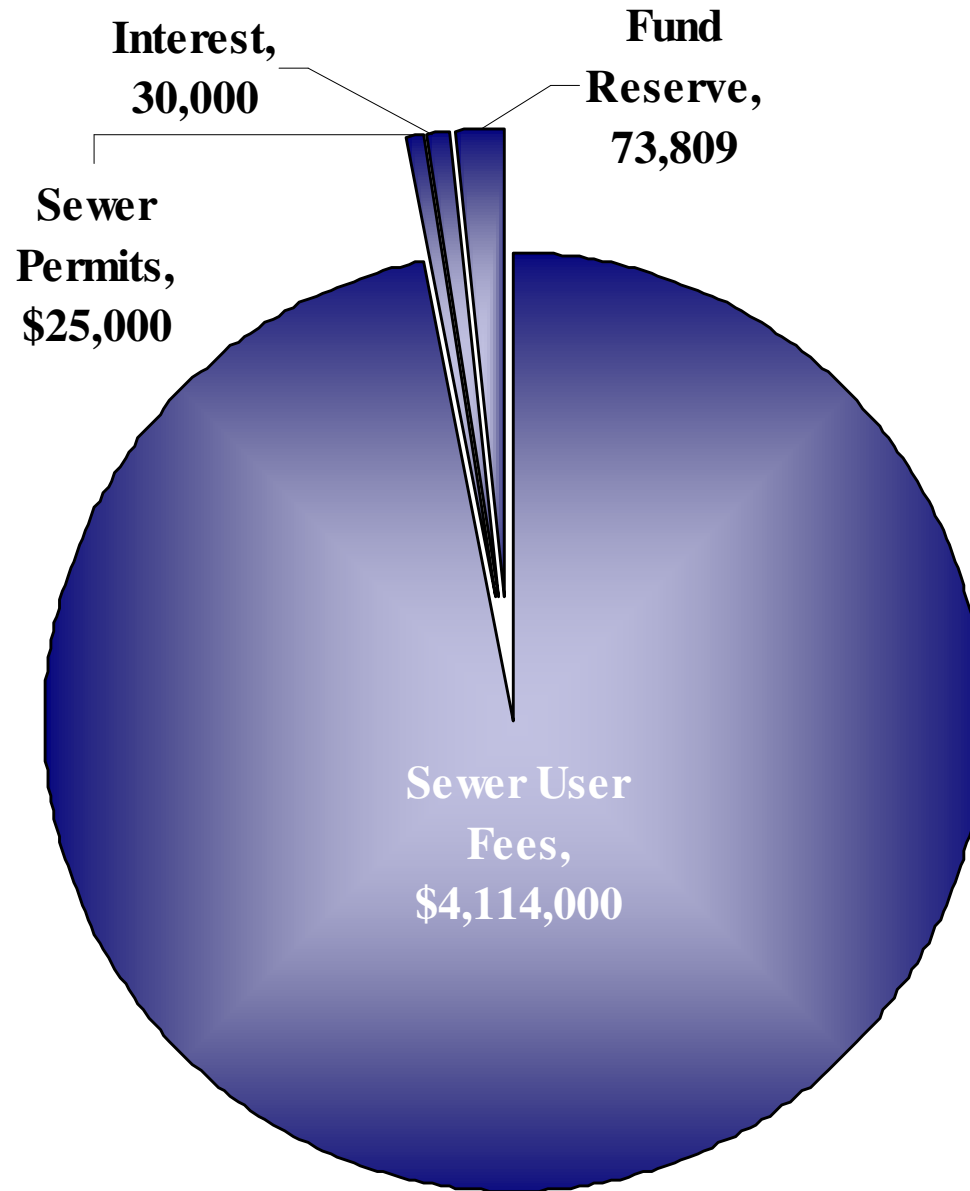
***2009 BUDGET SUMMARY
FOR CAPITAL and LIQUID FUELS EXPENDITURES***

	<u>Amount</u>	<u>Percentage</u>
General Government & IT	\$ 207,000	12.77%
Public Safety	165,400	10.20%
Community Development	28,500	1.76%
Annual Paving Program	879,500	54.24%
Pub Works Vehicles & Equip	260,000	16.04%
Recreation	75,000	4.62%
Transfers	<u>6,015</u>	<u>.37%</u>
Totals	\$1,621,415	100.00%

2009 Budget Assumptions and Considerations Capital Projects Fund

- Road Program will be funded by \$460,000 (Liquid Fuels) and \$ 419,500 (Capital Projects) totaling \$879,500 for 2009. In 2008, Road Program funding totaled \$1,150,000.
- Other capital equipment and projects are budgeted at \$735,900 for 2009 compared to \$986,600 for 2008.
- The Capital Projects fund balance will be reduced from \$1,533,113 to \$714,286 at the end of 2009.

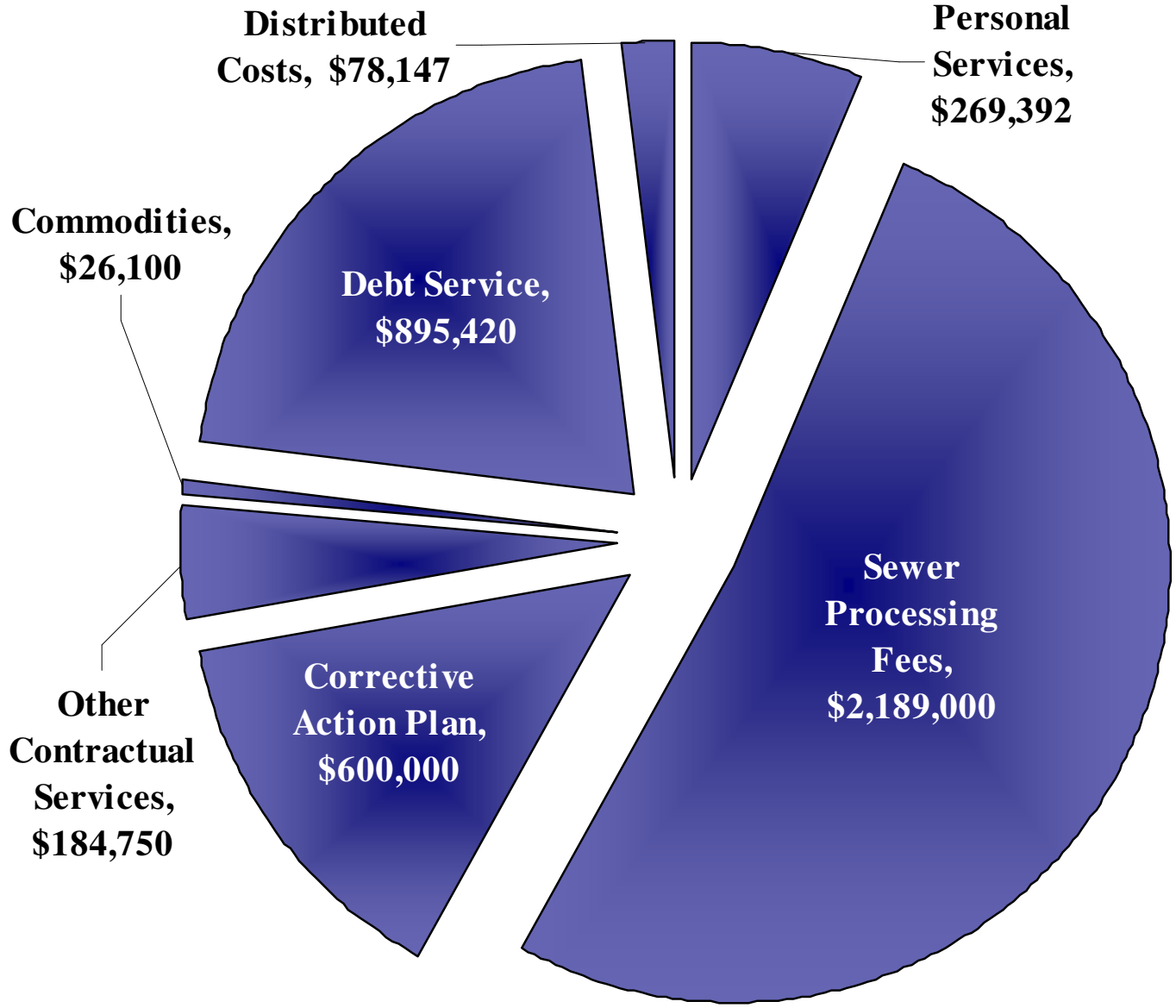
***SANITARY SEWER FUND
WHERE THE MONEY COMES FROM***



***2009 BUDGET SUMMARY
FOR SANITARY SEWER FUND REVENUES***

	<u>Amount</u>	<u>Percentage</u>
Sewer User Fees	\$ 4,114,000	96.96%
Sewer Permits	25,000	.59%
Interest	30,000	.71%
Fund Reserve	<u>73,809</u>	<u>1.74%</u>
Totals	\$ 4,242,809	100.00%

***SANITARY SEWER FUND
WHERE THE MONEY GOES***



***2009 BUDGET SUMMARY
FOR SANITARY SEWER FUND EXPENDITURES***

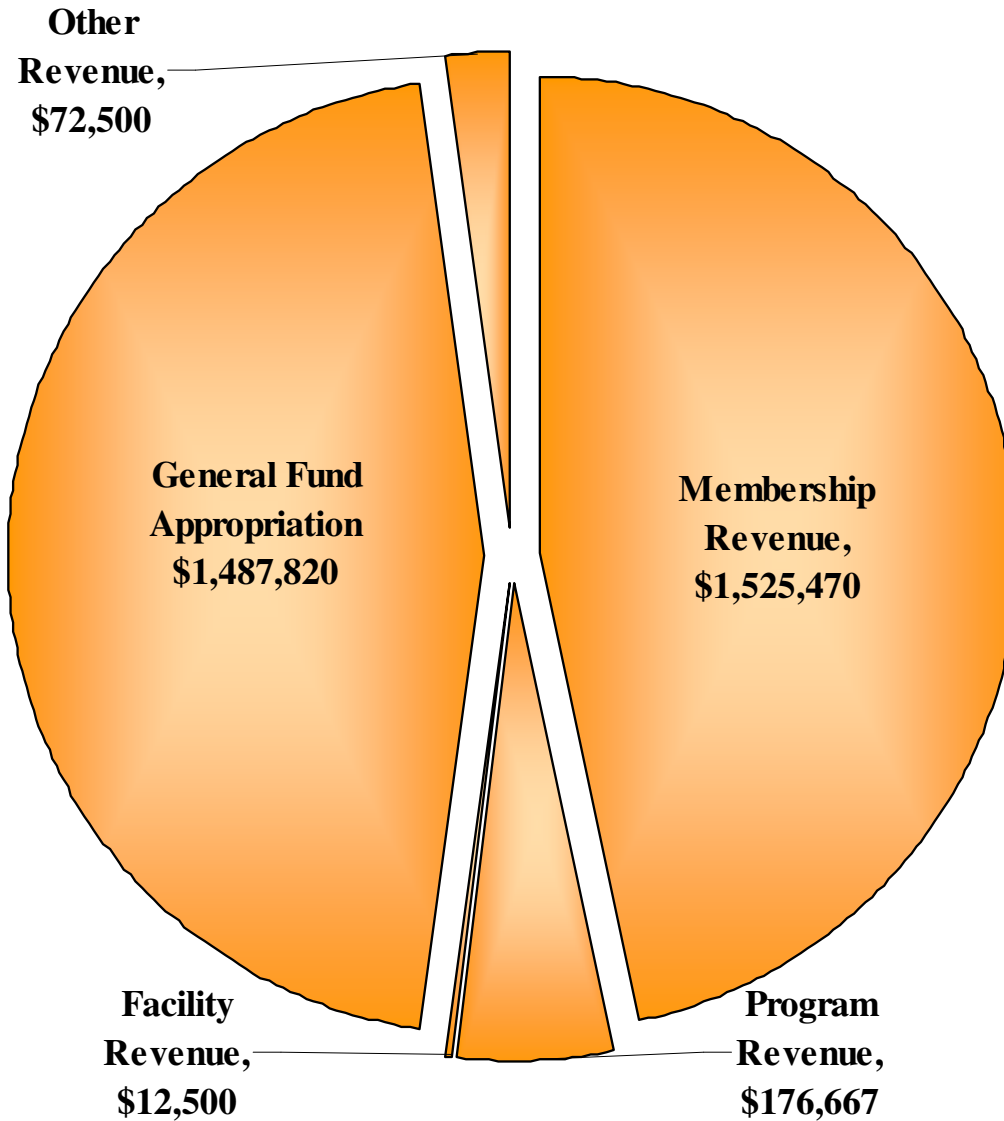
	<u>Amount</u>	<u>Percentage</u>
ALCOSAN Payments	\$2,189,000	51.60%
Corrective Action Program	600,000	14.14%
Township Personnel Costs	269,392	6.35%
Contracted Services	184,750	4.35%
Materials & Supplies	26,100	.62%
Debt Service Payments	895,420	21.10%
Depreciation/Allocated Costs	<u>78,147</u>	<u>1.84%</u>
Totals	\$4,242,809	100.00%

2009 Budget Assumptions and Considerations

Sanitary Sewer Fund

- The Multiplier had been set in the Proposed Budget at 2.00 from 1.85 in 2008 with assumed collection rate of 95%, but based on ALCOSAN's actual rate increase for 2009 of 16% and further study of annual usage charges billed by ALCOSAN, the recommendation will be to adjust the multiplier to 2.15.
- Salaries and Fringe Benefits include the portions of Administration, Finance and Public Works personnel.
- \$ 600,000 remains the amount for corrective action.
- Debt Service payments for 2009 total \$895,420 from \$755,695 in 2008.

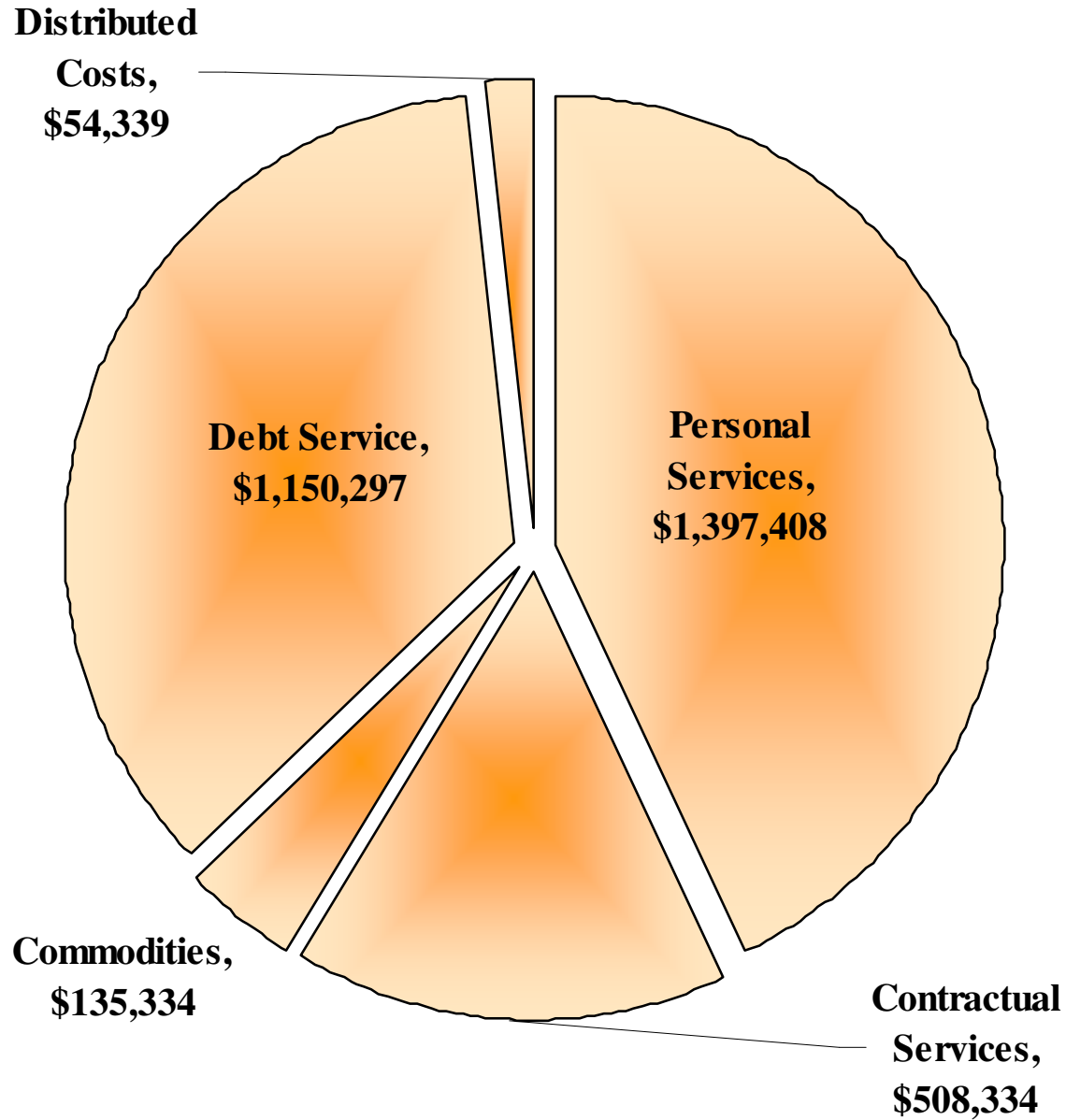
***BOYCE/MAYVIEW COMMUNITY RECREATION CENTER FUND
WHERE THE MONEY COMES FROM***



***2009 BUDGET SUMMARY
FOR BOYCE/MAYVIEW COMMUNITY
RECREATION CENTER
REVENUES***

	<u>Amount</u>	<u>Percentage</u>
Indoor Memberships	\$ 648,740	19.81%
Outdoor Pool Memberships	154,133	4.70%
Combined Memberships	247,877	7.57%
Daily Admissions	474,720	14.50%
Program Revenue	176,667	5.39%
Other Revenue	85,000	2.60%
General Fund Appropriation	<u>1,487,820</u>	<u>45.43%</u>
Totals	\$3,274,957	100.00%

***BOYCE/MAYVIEW COMMUNITY RECREATION CENTER FUND
WHERE THE MONEY GOES***



***2009 BUDGET SUMMARY
FOR BOYCE/MAYVIEW COMMUNITY
RECREATION CENTER
EXPENDITURES***

	<u>Amount</u>	<u>Percentage</u>
Personnel Costs	\$1,397,408	42.67%
Contractual Services	508,334	15.52%
Materials & Supplies	189,673	5.79%
Debt Service	1,150,297	35.13%
Fund Reserve	<u>29,245</u>	<u>.89%</u>
Totals	\$3,274,957	100.00%

2009 Budget Assumptions and Considerations Boyce/Mayview Comm. Recreation Center Fund

- The number of memberships and participants were based on the Ballard King Feasibility Study and the Fee Task Force Report which further refined the assumptions of that study.
- The finalized fee structure adopted by the Board Commissioners was utilized in determining the projected revenue of listed category.
- For 2009, the annual revenue assumptions were prorated over the actual eight months of operation.

2009 Budget Assumptions and Considerations Boyce/Mayview Comm. Recreation Center Fund

- Expenditure assumptions were based on the Ballard King Feasibility Study which were further refined in the Fee Task Force Report.
- For 2009, the annual expenditure assumptions have been prorated over the actual months of operation prior to and after the opening of the Community Recreation Center.
- A General Fund appropriation for 2009 has been projected in the amount of \$1,487,820. This appropriation will cover the debt service costs of \$1,150,297 and the common area costs referenced in the Fee Task Force Report.

***2009 BUDGET SUMMARY
FOR BOYCE/MAYVIEW PARK RAD FUND
REVENUES***

	<u>Amount</u>	<u>Percentage</u>
Park Fees	\$ 2,500	.40%
General Fund Appropriation	199,603	32.14%
RAD Grant	<u>419,000</u>	<u>67.46%</u>
Totals	\$ 621,103	100.00%

**2009 BUDGET SUMMARY
FOR BOYCE/MAYVIEW PARK RAD FUND
EXPENDITURES**

	<u>Amount</u>	<u>Percentage</u>
Operations & Personnel	\$ 212,474	34.21%
REEC Appropriation	100,000	16.10%
Park Improvements	163,000	26.24%
Capital Equipment	26,000	4.19%
Park Maintenance	<u>119,630</u>	<u>19.26%</u>
Totals	\$ 621,104	100.00%

2009 Budget Assumptions and Considerations

Boyce/Mayview Park RAD Fund

- RAD Grant is \$419,000 which was reduced by \$81,000 due to economic conditions predicted for 2009.
- A General Fund appropriation for 2009 has been budgeted for \$199,603, which will provide for the utilities, field maintenance and police patrol costs not covered by the grant. This is considered the Township's local effort toward the cost of maintaining Boyce/Mayview Park.
- Expenditures include 100% of personnel costs for Park Superintendent a portion of Public Works Dept. personnel and Police to maintain Boyce/Mayview Park.
- Capital Equipment request from RAD Grant is \$26,000 and Park Improvements such as construction of a playground and other ball field improvements total \$163,000.
- An allocation of \$100,000 has been budgeted for the support of the Regional Environmental Education Center (REEC) in 2009 as per the request for sustainable funding by the REEC's Governing Board.

Five year Operating and Capital Budget Projections 2009-2013 for All Township Funds

Five Year Operating and Capital Budget Projections					
For All Township Funds					
	2009	2010	2011	2012	2013
Revenues:					
Real Estate Tax (1%)	\$5,576,771	\$5,632,539	\$5,688,864	\$5,745,753	\$5,803,210
Earned Income Tax (3%)	7,370,000	7,591,100	7,818,833	8,053,398	8,295,000
Real Estate Transfer Tax (1.25%)	900,000	911,250	922,641	934,174	945,851
Local Option Sales Tax (2.5%)	310,000	317,750	325,694	333,836	342,182
Local Services Tax (.5%)	300,000	301,500	303,008	304,523	306,045
Sewer User Fees (estimates)	4,114,000	4,319,700	4,751,670	5,108,045	5,363,448
Other Revenue (3%)	3,520,012	3,625,612	3,734,381	3,846,412	3,961,805
CRC Revenue (estimates)	1,787,137	2,328,750	2,410,256	2,494,615	2,581,927
Fund Balance (estimate-2008)	1,129,031	-	-	-	-
Future Revenue Increases/Expenditure Reductions		579,770	521,986	496,739	529,198
Total Revenues	\$25,006,951	\$25,607,971	\$26,477,332	\$27,317,495	\$28,128,665
Expenditures:					
General Government (3.5%)	\$1,676,466	\$1,735,142	\$1,795,872	\$1,858,728	\$1,923,783
Public Safety (3%/2.5%)	4,639,011	4,778,181	4,897,636	5,020,077	5,145,579
Community Development (3.5%)	675,433	699,073	723,541	748,865	775,075
Public Works (3.5%)	5,268,299	5,452,689	5,643,534	5,841,057	6,045,494
ALCOSAN Payments (estimates)	2,189,000	2,298,450	2,321,435	2,495,542	2,620,319
Refuse Collection (3.5%)	1,128,725	1,168,230	1,209,118	1,251,438	1,295,238
Annual Street Program (estimates)	879,500	950,000	1,000,000	1,000,000	1,000,000
Regular Capital Improvements-(estimates)	984,000	650,000	650,000	700,000	750,000
Recreation (3.5%)	1,094,311	1,132,612	1,172,253	1,213,282	1,255,747
Library (3.5%)	1,072,312	1,109,843	1,148,687	1,188,891	1,230,503
Debt Service (actual & estimates)	1,258,762	1,260,000	1,260,000	1,260,000	1,260,000
Debt Service-CRC (actual & estimates)	1,150,297	1,150,000	1,150,000	1,150,000	1,150,000
Debt Service-Consent Order (actual & estimates)	895,420	895,000	895,000	895,000	895,000
OPEB Allocation	-	-	200,000	200,000	200,000
CRC Operation Costs(actual & estimates)	2,095,415	2,298,750	2,360,256	2,444,615	2,531,927
CRC Capital Costs (estimates)	-	30,000	50,000	50,000	50,000
Total Expenditures	\$25,006,951	\$25,607,971	\$26,477,332	\$27,317,495	\$28,128,665

2010-2013 Future Considerations

- Current real estate taxes at 3.40 mills with an assumed growth rate of 1.0% annually. The rate of increase has been based on the last two years of assessment growth.
- Earned income taxes are projected to grow at a rate of 3.0% annually based on collection patterns over the last five years with an allowance for two rate increases during that time.
- The CRC revenue is based on the Fee Task Force Study and the adopted fee structure of the Board of Commissioners with an assumed growth rate of 3.5% annually.
- Sanitary Sewer Fund user fees have been estimated based on ALCOSAN's plan for future rate increases.

2010-2013 Future Considerations

- The Township must begin to recognize its legal liability for other post employment benefits (OPEB), such as the healthcare benefits for retired police officers that were granted through arbitration, on its Statement of Financial Position. The Township should begin to fund this liability in 2011 at amounts determined by the Township Actuary.
- CRC operating and capital costs have been based Ballard King & Fee Task Force studies with an assumed growth rate of 3.5% after 2009.
- The current Debt Service payments include the unrefunded portion of the 2003 Bond Issue, the 2006 Bond Issue, the 2007 Bond Issue, and the 2008 Bond Issue.
- The Street Repaving Program has been reduced from 1.1 million dollar level to about the 1.0 million dollar level and all other capital expenditures have been shown at a reduced level from last year's five year projections.
- All other departmental expenditures are projected to grow at a rate of 3.5% or below.

REAL ESTATE TAX COLLECTIONS
2001-2009

<u>Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Outstanding Delinquent Taxes as Percent of Total Current Levy</u>
2001	\$ 3,754,832	1.6%
2002	3,805,540	2.7%
2003	4,102,019	2.1%
2004	4,187,674	0.9%
2005	4,149,465	2.8%
2006	4,237,609	1.7%
2007	4,258,948	1.1%
2008*	4,164,000	1.4%
2009**	\$ 5,434,351	N/A

***Estimated **Proposed Budget**

N/A=Not Available for estimated or proposed collections

EARNED INCOME TAX COLLECTIONS
2001-2009

<u>Year</u>	<u>Amount</u>
2001	\$ 5,085,053
2002	5,114,898
2003	5,253,585
2004	5,885,288
2005	6,112,019
2006	6,742,917
2007	7,209,380
2008*	7,323,450
2009**	\$ 7,370,000

***Estimated**

****Proposed Budget**

*Annual Street Improvement Program Costs
1998-2009*

	<u>Actual Budget</u>	<u>Increase/ (Decrease)</u>	<u>% Increase/ (Decrease)</u>
1998	\$ 636,263	(\$69,992)	(9.91)
1999	628,521	(7,742)	(1.22)
2000	903,273	274,752	43.71
2001	921,727	18,454	2.04
2002	1,076,428	154,701	16.78
2003	1,191,893	115,465	10.73
2004	999,304	(192,589)	(16.16)
2005	1,143,353	144,049	14.41
2006	1,103,491	(39,862)	(3.49)
2007	1,091,000	(12,491)	(1.13)
2008	1,150,000	59,000	5.40
2009	\$ 879,500	(\$270,500)	23.52

ALCOSAN Payments and Multiplier Seven Year History

<u>Year</u>	<u>Multiplier</u>	<u>Payments</u>
• <u>2003</u>	1.67	\$ 1,432,015
• <u>2004</u>	1.95	1,537,800
• <u>2005</u>	2.00	1,575,700
• <u>2006</u>	1.93	1,670,871
• <u>2007</u>	1.80	1,822,416
• <u>2008</u>	1.85	1,990,000
• <u>2009</u>	2.00	\$ 2,189,000

New Building Permits

<u>Year</u>	<u>Permits Issued</u>	<u>Valuation</u>
• <u>2003</u>	26	8,423,812
• <u>2004</u>	32	19,666,753
• <u>2005</u>	22	8,393,500
• <u>2006</u>	11	6,991,970
• <u>2007</u>	<u>15</u>	<u>7,195,100</u>
<u>Totals</u>	<u>106</u>	<u>\$ 50,671,135</u>

Source: Township Department of Community Development

Possible Changes to Proposed Budget

- An increase of .05 mills to the Proposed Budget increase of .80 mills. This would result in a millage rate of 3.45 for 2009.
- An increase of the multiplier from the Proposed Budget to 2.15. This is due to a higher than anticipated ALCOSAN increase (16%) and the final effects of the winter average method on revenue.

TOWNSHIP OF

Upper St. Clair

PENNSYLVANIA

2009 PROPOSED BUDGET

