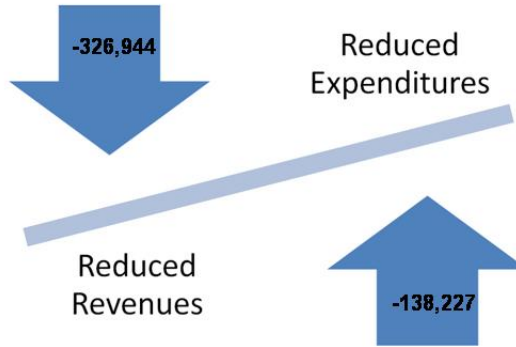


2010 Budget Presentation
November 17th Regular Meeting
East Rockhill Township Board of Supervisors

East Rockhill Township is facing the same financial crisis with which many small businesses and individuals are coping. Despite a reduction in staff and significant expenditure reductions, the Township is unable to compensate for the loss of revenues caused by the

**Reduced Revenues Out Weighs
Reduced Expenditures**



impact of the Economic Recession. Compared to our performance as of October 31st 2008 our overall General Fund revenues are down \$326,944 despite a 2009 real estate tax increase and our expenditures are down \$138,227.

The primary revenue sources for the Township are Earned Income Tax, (38% of the Budget) Real Estate Taxes (18% of the Budget) and the Real Estate Transfer Tax (7% of the Budget). The Emergency Services Tax and Cable Franchise Tax each comprise approximately 4% of budgeted revenues. The remaining 29% of the Township's revenues come from user fees, fines, penalties and state and federal funding. Real Estate Transfer Tax receipts, Earned Income Tax receipts and Program Fees (building and development related fees) are significantly reduced from levels collected in 2008. As of October 31st Real Estate Transfer Tax is \$56,958 lower (-53.8%), Earned Income Tax is \$49,568 lower (-7.3%) and Township Fees and Building Permit revenues are a combined \$14,107 lower. Other revenues such as state aid and grant funding are also lower. In general, the loss of revenues have been far more extensive than expected and far outweigh the additional receipts from the 0.95 mill real estate tax increase implemented for 2009 (approximately \$67,450).

With these troubling trends in mind, the Township has prepared a budget that reduces projections for our traditional revenues (Real Estate Transfer Tax, EIT), calls for steps to secure new revenues (lease of real estate for a proposed cell tower) and reduces expenditures significantly by staff reductions, wage and benefit freezes, the reduction of funds allocated to supplemental administrative functions (newsletters, web-site consulting, planning assistance, training and education) and deferment of all General fund capital expenditures. No tax increase for operating funds is proposed. The draft budget does include the following:

- An increase of \$4.00 from \$30.00 to \$34.00 to the Street Light Assessment for affected properties to offset the estimated 40% increase to the electric bills due to the expiration of PP&L's rate caps.
- A sewer rate increase of \$5.00 per quarter for both residential and non-residential accounts.
- A new special purpose real estate tax. Proposed is a 1.26 mill (\$1.26 for each \$1,000 of property assessed value) real estate tax dedicated to future debt service obligations for a new Pennridge Regional Police Headquarters building. More information about this project will be forthcoming from the Pennridge Regional Police Commission. Proceeds from this tax increase will be held in a Sinking Fund for that express purpose.

The General Fund Budget is balanced at \$1,922,625 and the total budget all funds is \$3,535,180. The Public Comment Period for consideration of East Rockhill Township 2010 Budget is now underway. The Board of Supervisors will consider all comments and consider adopting the Budget at their regularly scheduled business meeting on Tuesday, December 15, 2009 beginning at 7:00 PM. Comments can be submitted to staff@astrockhilltownship.org.