

EAST ROCKHILL TOWNSHIP
2007 Budget Analysis
Prepared by Anne W. Klepfer
November 28, 2006

Financial management is the process of obtaining funds to support the necessary services provided by the Township and using those funds in an effective and efficient manner. Sound fiscal management requires a well planned budget and effective use of the budget as a tool for managing the receipt and spending of money throughout the year.

I am pleased to present a balanced budget of seven funds totaling \$4,379,965 in revenues and expenditures. In preparing this budget I utilized the following goals as guidelines for decision making:

- Realistic revenue projections that are based not only on past performance but also on the economic forecasts, demographics and development activity such as the number of subdivisions plans approved for construction.
- Separation and organization of realistic expenditures by department or category increased departmental accountability and improved expense forecasting.
- Planning for a decreased dependence on tax anticipation borrowings that result in costly interest payments. Elimination of the TAN by 2010.
- Establishing a long range goal of maintaining reserves for each fund that fall in the “safe harbor” range of 6-10% of revenues.
- Capital spending to improve the health, safety and welfare of the Township.

The budget proposed includes a 1 mill increase in the General Fund Real Estate Tax rate and a .5 mill increase in the Fire Protection Services Real Estate Tax rate. For a property with our average assessment of \$29,001.00 this will equate to total increase of \$43.50. The increase in the General Fund Real Estate Tax is necessary to achieve long range planning objectives mentioned above and to provide for sufficient revenue to cover increased operating costs stemming from the unstable gas and oil market, a relatively flat building environment, and decreasing home sales values. The increase in Fire Protection Tax fulfills our commitment to fund East Rockhill’s contribution to capitalequipment purchases and fire protection by each of the five fire companies that are first responders in East Rockhill Township.

The budget includes a significant departure from the past practice of using Township General Fund Tax Dollars to pay for the electricity for street lights that are neighborhood specific. Therefore, an annual flat fee \$50.00 per improved property within developments serviced and benefited by street lights is proposed to offset the electric bill for the lighting in those districts.

The budget also includes the proposed borrowing of \$150,000 in funds for Road Reconstruction and Maintenance to help finance significant road improvements to portions of Hillendale Road, Schwenkmill Road, Butler Lane, Bridge View Drive, Harriet Drive, Meadow Lane, West Rock Road, Three Mile Run Road and Clymer Road. The debt service for the borrowing will be paid for out of state liquid fuels funds over a period of ten years or less.

Other capital expenditures include acquisition of conservation easements under the Township’s Farmland and Open Space Preservation Program, the purchase of a new pick-up truck to replace a 1995 pick-up truck and the scheduled replacement of street signs in the Township to comply with the State mandate relating to street sign standards for size and iridescence.

EAST ROCKHILL TOWNSHIP 2007 BUDGET SUMMARY – BY FUND

Name of fund	Type of Fund	Budget
GENERAL FUND	General Government	\$2,225,150
PARK & RECREATION FUND	Special Revenue	\$118,445
OPEN SPACE FUND	Special Revenue	\$1,025,120
SEWER FUND	Enterprise Fund	\$613,100
DRIVING RANGE FUND	Enterprise Fund	\$40,200
CAPITAL FUND	Capital Projects	\$31,500
LIQUID FUELS FUND	Special Revenue	<u>\$326,450</u>
		\$4,379,965

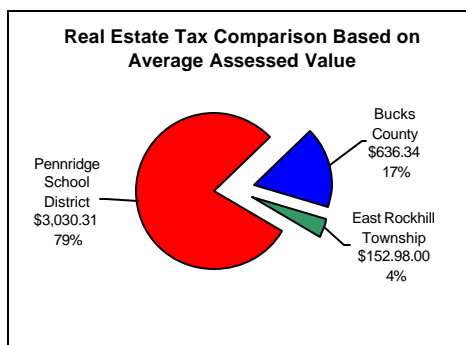
Real Estate Taxes	Current	Proposed
General Fund	3.275	4.275
Fire Tax	.5	1.0

One Mill= **\$70,261** in Revenue.

2004 Median Home Price is \$269,975
2006 Average Assessed Value is **\$29,001**

One mill is equivalent of \$1 of tax for each \$1,000 of property assed value.

Based on Average Township Assessed Value of \$29,001.00
2006 Township Tax: \$94.98 General Fund Tax and \$14.50 Fire Tax
2007 Proposed Tax: \$123.98 General Fund Tax and \$29 Fire Tax



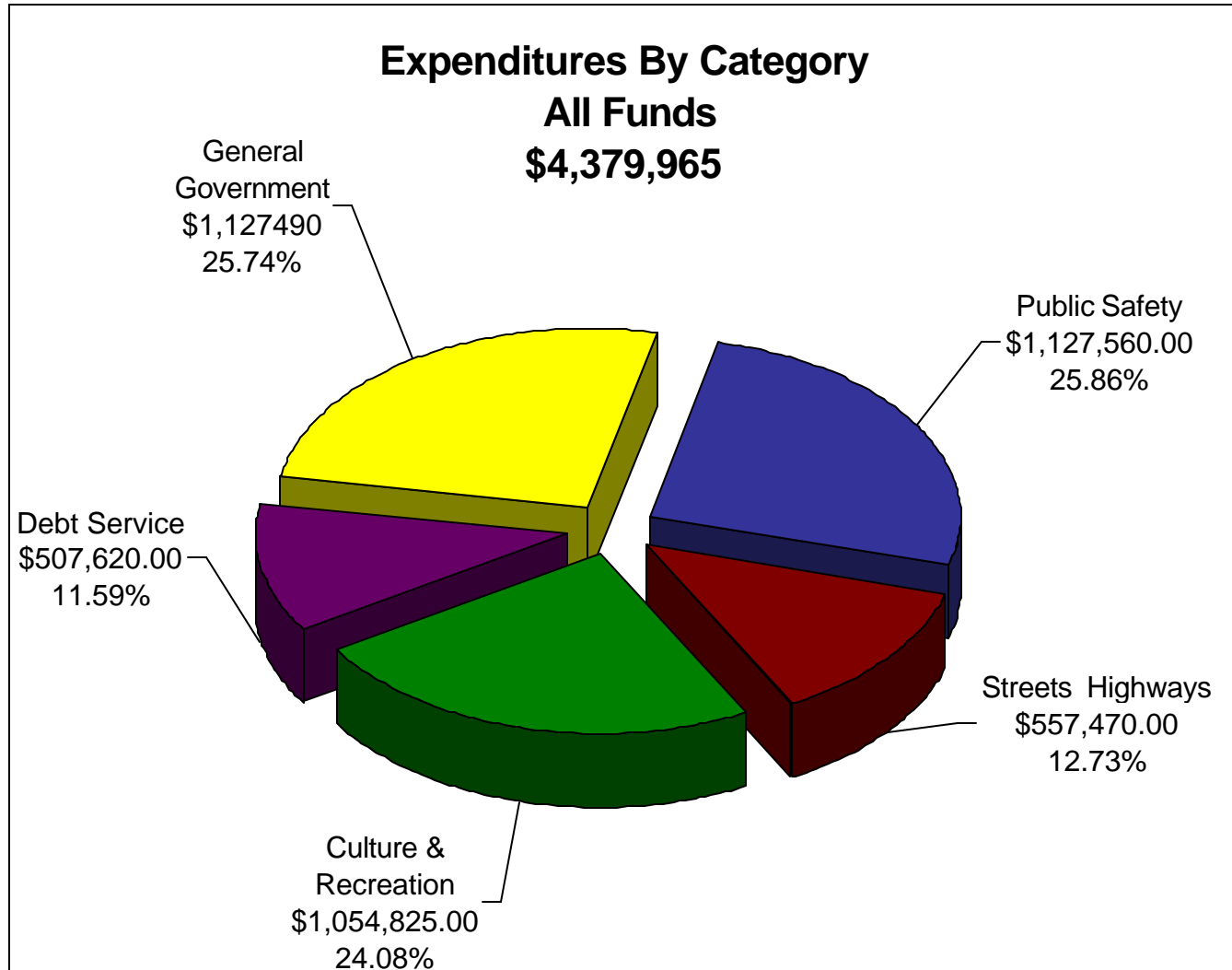
Total Township Tax: \$ 152.98
Total County Tax: \$ 636.34
Total School Tax: \$3,030.31

The average assessed property will see a tax increase of **\$29.00** for General Fund and **\$14.50** for fire tax, or a total municipal tax increase of **\$43.50**

Street Light Assessment	2006	2007
Street Light District 270 Qualifying Residences	\$0.00	\$50 per unit
Earned Income Tax – Open Space	2006	2007
	0.125%	0.25%

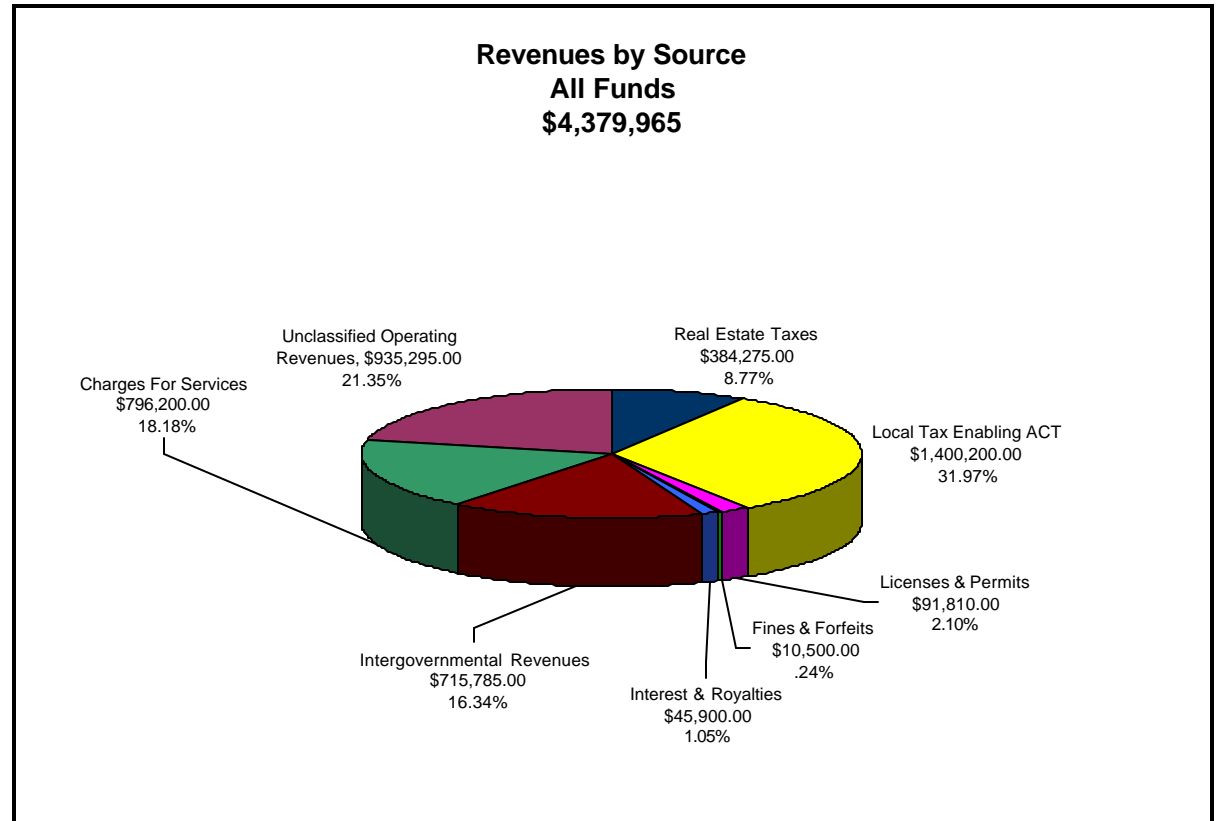
**EAST ROCKHILL TOWNSHIP
2007 BUDGET
“EXPENDITURES BY CATEGORY – ALL FUNDS”**

Budget Category	Expenditures	% Total
General Government	\$1,127,490.00	25.74%
Public Safety	\$1,132,560.00	25.86%
Streets & Highways	\$557,470.00	12.73%
Culture & Recreation	\$1,054,825.00	24.08%
Debt Service	\$507,620.00	11.59%
	\$4,379,965.00	100.00%



**EAST ROCKHILL TOWNSHIP
2007 BUDGET
“REVENUES BY SOURCE- ALL FUNDS”**

Revenue Category	Total Revenues	% Total
Real Estate Taxes	\$384,275.00	8.77%
Local Tax Enabling ACT	\$1,400,200.00	31.97%
Licenses & Permits	\$91,810.00	2.10%
Fines & Forfeits	\$10,500.00	0.24%
Interest & Royalties	\$45,900.00	1.05%
Intergovernmental Revenues	\$715,785.00	16.34%
Charges For Services	\$796,200.00	18.18%
Unclassified Operating Revenues	\$935,295.00	21.35%
	\$4,379,965.00	100.00%



	General Fund	Park and Rec Fund	Open Space Fund	Sewer Fund	Driving Range Fund	Capital Fund	Liquid Fuels Fund	Category Totals
REVENUES								
Real Estate Taxes								
General	\$300,510.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300,510.00
Fire	\$70,265.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,265.00
Street Lights	\$13,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,500.00
Local Tax Enabling ACT	\$1,050,500.00	\$0.00	\$349,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,400,200.00
Licenses & Permits	\$91,810.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,810.00
Fines & Forfeits	\$10,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,500.00
Interest & Royalties	\$25,200.00	\$10,000.00	\$4,000.00	\$2,600.00	\$200.00	\$1,500.00	\$2,400.00	\$45,900.00
Intergovernmental Revenues	\$197,765.00	\$0.00	\$356,420.00	\$0.00	\$0.00	\$0.00	\$161,600.00	\$715,785.00
Charges For Services	\$151,800.00	\$0.00	\$0.00	\$609,400.00	\$35,000.00	\$0.00	\$0.00	\$796,200.00
Unclassified Operating Revenues	\$500.00	\$28,500.00	\$0.00	\$100.00	\$0.00	\$30,000.00	\$0.00	\$59,100.00
Other Financing Sources	\$312,800.00	\$79,945.00	\$315,000.00	\$1,000.00	\$5,000.00	\$0.00	\$162,450.00	\$876,195.00
TOTAL	\$2,225,150.00	\$118,445.00	\$1,025,120.00	\$613,100.00	\$40,200.00	\$31,500.00	\$326,450.00	\$4,379,965.00
EXPENDITURES								
General Government								
Administration	\$296,975.00	\$0.00	\$0.00	\$182,230.00	\$0.00	\$0.00	\$0.00	\$479,205.00
Tax Collection	\$35,480.00	\$0.00	\$6,440.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,920.00
Legal	\$24,750.00	\$1,000.00	\$9,000.00	\$3,000.00	\$0.00	\$2,000.00	\$0.00	\$39,750.00
Land Appraisals	\$0.00	\$0.00	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00
Engineering/Professional Services	\$37,350.00	\$3,000.00	\$10,000.00	\$4,000.00	\$0.00	\$10,000.00	\$0.00	\$64,350.00
IT & Data Processing Services	\$9,015.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00	\$11,515.00
General Gov't Bldgs & Plant	\$12,100.00	\$0.00	\$0.00	\$271,480.00	\$0.00	\$0.00	\$0.00	\$283,580.00
Insurances	\$43,910.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,910.00
Unclassified Operating Expenses	\$8,750.00	\$0.00	\$0.00	\$1,100.00	\$0.00	\$19,500.00	\$0.00	\$29,350.00
Interfund Operating Transfers	\$60,700.00	\$0.00	\$0.00	\$67,210.00	\$0.00	\$0.00	\$0.00	\$127,910.00
General Government Total	\$529,030.00	\$4,000.00	\$31,440.00	\$531,520.00	\$0.00	\$31,500.00	\$0.00	\$1,127,490.00
Public Safety								
Police	\$867,705.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$867,705.00
Fire	\$115,565.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,565.00
Building & Code Enforcement	\$133,225.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$133,225.00
Planning & Zoning	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00
Emergency Management	\$1,065.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,065.00
Public Safety Total	\$1,132,560.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,132,560.00
Streets & Highways								
Recycling	\$9,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,900.00
Public Works Administration	\$196,045.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$196,045.00
Snow & Ice Removal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,500.00	\$27,500.00
Traffic Control	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,100.00	\$16,100.00
Street Lights	\$16,330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,330.00
Maintenance to Rds & Bridges	\$11,835.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$217,760.00	\$229,595.00
Road Machinery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,000.00	\$37,000.00
Equipment Purchase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,000.00	\$25,000.00
Streets & Highways Total	\$243,110.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$314,360.00	\$557,470.00
Culture & Recreation								
Park & Rec Administration	\$0.00	\$40,480.00	\$0.00	\$0.00	\$34,040.00	\$0.00	\$0.00	\$74,520.00
Park Buildings & Property	\$0.00	\$12,625.00	\$858,800.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$874,425.00
Shade Trees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Senior Citizen's Centers	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00
All other Cultural Recreation	\$0.00	\$61,340.00	\$38,880.00	\$0.00	\$3,160.00	\$0.00	\$0.00	\$103,380.00
Cultural & Recreation Total	\$2,500.00	\$114,445.00	\$897,680.00	\$0.00	\$40,200.00	\$0.00	\$0.00	\$1,054,825.00
Debt Service								
Debt Principal	\$283,125.00	\$0.00	\$51,000.00	\$45,000.00	\$0.00	\$0.00	\$7,885.00	\$387,010.00
Debt Interest	\$34,825.00	\$0.00	\$45,000.00	\$36,580.00	\$0.00	\$0.00	\$4,205.00	\$120,610.00
Debt Service Total	\$317,950.00	\$0.00	\$96,000.00	\$81,580.00	\$0.00	\$0.00	\$12,090.00	\$507,620.00
TOTAL	\$2,225,150.00	\$118,445.00	\$1,025,120.00	\$613,100.00	\$40,200.00	\$31,500.00	\$326,450.00	\$4,379,965.00