



**WARRINGTON BOARD OF SUPERVISORS
BUDGET WORK SESSION
MINUTES FOR SEPTEMBER 12, 2017**

The written minutes are a summary of the September 12, 2017 Board of Supervisors Budget Work Session meeting. For a complete dialog visit the Township's website, www.warringtontownship.org.

ATTENDANCE

Shirley A. Yannich, Chair; Fred R. Gaines, Vice Chair; Carol T. Baker, Member; Matthew W. Hallowell, Member; and Millie A. Seliga, Member. Staff present was Barry P. Luber, Township Manager and Barbara J. Livrone, Executive Assistant to the Township Manager/Board Secretary.

CALL TO ORDER: Ms. Yannich called the meeting to order at 6:05 P.M. All Board members were present

PLEDGE OF ALLEGIANCE

Ms. Yannich followed the Call to Order with a pledge to the flag.

EXECUTIVE SESSION REPORT

Ms. Yannich stated an executive session was not held.

WORK SESSION ITEMS:

2017 Budget – 5 Year Outlook for General Fund

Mr. Luber presented the Board with a 5 Year Financial Forecast spreadsheet. (Attachment "A")

Mr. Luber stated the Township needs to look long term to be a sustainable community.

Mr. Luber reviewed the revenue, expense and fund balance. He stated that fifteen percent (15%) of annual expenses are needed to keep in the fund balance which is based on standards set by the Government Finance Officers Association (GFOA).

Good building years were 2014, 2015 and 2016. 2017 has not been a good construction year. 2018 and 2019 are proposing a lot of projects within the Township. Mr. Luber stated the names of proposed new residential and commercial buildings to be built which will generate revenue. The 5 year projection is based on no tax increase.

Mr. Luber stated he is working on applying for more grants to help offset revenues and expenditures.

Pension and salary expenses are a concern to fund from the operating fund to offset expenditures.

Before the next budget work session, Ms. Seliga requested a breakdown of three categories: Pension, Fireman's Relief and Recycling.

NEXT SCHEDULED MEETING TUESDAY, SEPTEMBER 26, 2017 @ 6:00 PM.

ADJOURNMENT

There being no further business, Mr. Hallowell motioned, seconded by Ms. Seliga to adjourn the meeting at 6:55 PM.

Respectfully Submitted By:



Barbara J. Livrone, Board Secretary

Attachment "A"

Warrington Township 5 Year Financial Forecast

Major Categories	Assumption	Actual 2014	Actual 2015	Actual 2016	2017 Budget	Projected 2017	2018	2019	2020	2021	2022
Real Estate Tax	1.5% growth through 2020, then flat	2,705,000	2,774,293	2,825,117	2,860,000	2,860,000	2,902,900	2,946,400	2,975,900	2,975,900	2,975,900
Real Estate Transfer Tax	Above historic levels until 2019 - then decrease to adjusted historic levels	725,000	983,697	1,465,269	750,000	950,000	1,000,000	1,000,000	800,000	800,000	800,000
Earned Income Tax	2% growth	4,255,000	4,345,930	4,529,353	4,460,000	4,682,880	4,549,200	4,640,200	4,733,000	4,827,700	4,924,300
Local Services Tax	Flat - 1% increase	420,000	444,128	511,880	440,000	514,000	519,100	524,300	529,500	534,800	540,100
Business Licensing (including Cable franchise fee)	Franchise fee may decrease as on-line video cuts into cable tv revenue. Will assume flat for now	570,000	590,141	609,408	596,500	621,000	620,000	620,000	620,000	620,000	620,000
Fines	assume 3% increase	195,000	186,633	240,731	199,100	205,000	211,200	217,500	224,000	230,700	237,600
Interest Earnings	assume 4% growth	5,000	7,377	15,130	14,000	23,000	23,900	24,900	25,900	26,900	28,000
Federal Grants (SAFER/FEMA)	SAFER Grant - ends 4/16	170,000	291,597	162,671	-	-	-	-	-	-	-
Rents & Cell Tower Fees	Assumes Flat (rent increases offset by cell company mergers)	450,000	461,209	436,836	437,000	367,000	367,000	367,000	367,000	367,000	367,000
State Shared Revenue (Pension Aid/Fireman's Relief/Recycling Grants)	Assumes one new officer in 2018 and one in 2019	650,000	618,849	642,771	626,550	626,550	645,300	672,700	700,900	729,900	759,800
Local Grants	Highway/DUI/EAC/PECO	175,000	28,498	37,120	29,000	30,000	30,000	30,000	30,000	30,000	30,000
Charges for Services (/escrow admin/land dev/ZHB/police services)	assume 3% increase	140,000	160,209	138,659	112,250	87,000	89,600	92,300	95,100	98,000	100,900
Public Safety (permits)	Continued above normal results until development projects scheduled through 2019 end - then decrease to adjusted historic levels	895,000	1,282,628	1,154,703	972,500	690,000	900,000	900,000	550,000	550,000	550,000
Trash (willow Knoll)	Flat/ 4% increase beginning in 2019 (new trash contract)	135,000	150,836	146,409	150,000	150,000	156,000	156,000	162,240	162,240	168,730
Recreation fees	closed Day Camp in 2016/3% increase beginning in 2018	345,000	340,630	257,616	255,250	263,000	270,900	279,000	287,400	296,000	304,900
Park & Rec Assessment fee	Above historic levels until 2019 - then decrease to adjusted historic levels	360,000	476,187	327,600	205,000	124,000	300,000	300,000	150,000	150,000	150,000
Regal Cinema Impact fee	flat	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other/Miscellaneous	flat (sale of TDR's in 2014)/drawdown of health reserves in 2017	521,229	739,993	265,850	520,300	520,000	200,000	200,000	200,000	200,000	200,000
Transfers From Other Funds	Admin fee from Water - 2% increase beginning in 2018	104,500	104,500	150,000	150,000	150,000	153,000	156,100	159,200	162,400	165,600
Total Revenue		12,920,729	14,087,335	14,017,123	12,877,450	12,963,430	13,038,100	13,226,400	12,710,140	12,861,540	13,022,830

Major Categories	Assumption	Actual 2014	Actual 2015	Actual 2016	2017 Budget	Projected 2017	2018	2019	2020	2021	2022
Salaries/Overtime	3% growth thru 2019 - 2.75% for 2020- 2022/1 new Officer in 2018	4,900,000	5,077,904	5,053,176	5,696,575	5,688,732	5,867,500	6,043,500	6,209,700	6,380,500	6,556,000
Fringe Benefits	flat in 2017 due to new health plan/5% growth thereafter	1,960,000	2,302,213	2,094,751	2,283,223	2,284,000	2,397,400	2,398,200	2,517,300	2,518,100	2,643,200
Utilities	LED Savings = Debt Service costs for streetlights	225,000	283,687	249,697	184,000	215,000	215,000	215,000	215,000	215,000	215,000
materials & services/Insurance	Flat	3,921,513	4,167,582	3,433,461	3,509,058	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Transfers to other funds	Decrease in large Development projects 2017	839,250	1,108,505	1,518,000	205,000	124,000	300,000	300,000	150,000	150,000	150,000
Firemen's Relief	Flat	224,000	197,787	183,491	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Pensions	Actuarial Assumptions	750,000	837,029	803,154	852,572	852,600	917,000	1,237,000	1,110,000	950,000	950,000
Total Expenditures		12,819,763	13,974,707	13,335,731	12,880,428	12,814,332	13,346,900	13,843,700	13,852,000	13,863,600	14,164,200

Beginning Fund Balance	3,046,581	3,147,547	3,260,175	3,941,567	3,941,567	3,938,589	3,629,789	3,012,489	1,870,629	868,569
Change in fund balance	100,966	112,628	681,392	(2,978)	149,098	(308,800)	(617,300)	(1,141,860)	(1,002,060)	(1,141,370)
Ending Fund Balance	3,147,547	3,260,175	3,941,567	3,938,589	4,090,665	3,629,789	3,012,489	1,870,629	868,569	(272,801)

Fund Balance Policy = 15% of Expenditures	1,922,964	2,096,206	2,000,360	1,932,064	1,922,150	2,002,035	2,076,555	2,077,800	2,079,540	2,124,630
Above of Below Fund Balance Policy	1,224,583	1,163,969	1,941,207	2,006,525	2,168,515	1,627,754	935,934	(207,171)	(1,210,971)	(2,397,431)