



Lower Paxton Township

2016 Budgets *(adopted 12/15/15)*

GOOD GOVERNMENT FOR A GREAT COMMUNITY

Lower Paxton Township ***- Your Municipal Services -***

- Public Safety - *Police, Fire, EMS, & Emergency Preparedness*
 - Public Works – *roads, storm sewers, municipal properties, and the compost facility*
 - Sanitary Sewer
 - Parks and Recreation & the Friendship Center
 - Community Development/Sanitation/Health
 - Administration/Finance/Personnel
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Lower Paxton Township - Your 2016 Municipal Funds -

The following budgets are proposed for consideration by the Board of Supervisors. Final consideration is scheduled for a public meeting to be held on December 15, 2015. The LPTA is scheduled to adopt its budgets during a public meeting to be held on November 24, 2015.

General Fund - \$22,695,974 (balanced)

Liquid Fuels Fund - \$1,403,880 (balanced)

General Improvement Fund - \$9,253,926 (expenditures)

Fire Equipment Capital Fund - \$304,350 (revenues) & \$2,200,000 (expenditures)

LOSAP - \$80,520 (revenues) & \$30,000 (expenditures)

Friendship Operating Fund - \$2,234,174 (revenues) & \$2,216,265 (expenditures)

LPTA Operating Fund - \$15,309,951 (revenues) & \$15,052,514 (expenditures)

LPTA Capital Fund - \$9,319,000 (expenditures)

Proposed 2016 Spending Plan - \$62 million
(not including pension funds)

Lower Paxton Township 2016 General Fund

- The General Fund is the Township operating fund.**
 - The 2016 General Fund budget is balanced with revenues and expenditures at \$22,695,974.**
 - *The General Fund is the primary source of revenue for the General Improvement Fund, the Fire Equipment Capital Fund, the LOSAP Fund, the Police Pension Fund, and the Non-Uniformed Employee Pension Fund.***
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Lower Paxton Township 2016 General Fund

- ❑ General Fund balance policy - 25% or more of budgeted expenditures to be held in reserve.
 - ❑ At the beginning of 2015, the General Fund balance was \$6,787,392.
 - ❑ 2015 will end with a staff estimated balance of \$962,881, producing a total fund balance of \$7,750,273.
 - ❑ 25% of the \$22,695,974 budgeted for 2016 expenditures is \$5,673,994 and an equivalent amount should be held in reserve.
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Lower Paxton Township Annual Expenditures for Operations

- From 2008 through the 2016 budget, annual expenditures for municipal operations have increased by a total of 16.8% or ***1.87% per year***.
 - The CPI for NE urban areas has increased 13.1% from 1/1/08 to 6/30/15, on average – 1.75% per year.
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Lower Paxton Township 2016 Real Estate Tax Increase

To address municipal needs, the Supervisors have increased the real estate tax rate in 2016. An increase of .25 mills was included in the 2016 General Fund Budget, which was based on a total millage rate of 1.95 mills.

Lower Paxton Township 2016 State Aid Fund

- ❑ The State Aid Fund is per the PA Liquid Fuels Tax Act 655 of 1956 and is a sub-component of the General Fund.
 - ❑ State Aid provides for maintenance and construction of local roads.
 - ❑ In 2016, the State Aid Fund expects \$1,403,880 in both revenues and expenditures.
 - ❑ State Aid has increased from \$1 million in 2013 to \$1.4 million in 2016. By 2018, it will be \$1.6 million. All additional funds are to be used for roadway paving.
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Lower Paxton Township 2016 Fire Equipment Capital Fund

- ❑ The Fire Equipment Capital Plan covers 9 pieces of primary apparatus for the Township's 3 fire companies.
 - ❑ 2016 will begin with a Fund balance of nearly \$1.4 million. An additional \$304,350 will be added during the year, taking the fund balance to \$1.7 million.
 - ❑ 2016 expenditures from the fund could total \$2.2 million.
 - ❑ In 2016, the annual allocation to this Fund will be increased by \$100,000.
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Lower Paxton Township 2016 LOSAP Fund

- ❑ The Length of Service Award Program (LOSAP) provides a defined benefit stipend to qualifying volunteer firefighters and/or fire police officers.
 - ❑ The LOSAP Fund balance is expected to be \$525,000 at the beginning of 2016. An additional \$80,520 will be added during the fiscal year.
 - ❑ Expenditures are budgeted at \$30,000 for the fiscal year.
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Lower Paxton Township 2016 General Improvement Fund

- ❑ The General Improvement Fund is used by the Township for one-time capital projects.
 - ❑ In 2016, General Improvement Fund expenditures for capital projects are budgeted at \$9,253,926.
 - ❑ The Township is expected to borrow \$4 million in 2016 for ongoing capital projects.
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2016 General Improvement Fund

- Capital Projects (highlights):
 - Public Works addition - \$4 million
 - Stormwater Management - \$1.7 million
 - Bridge Replacements - \$1.9 million
 - Friendship Center Priority Project - \$470,000
 - Park Improvements - \$600,000
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Lower Paxton Township 2016 Friendship Center Fund

- ❑ The Friendship Center operates as an “enterprise” entity, with revenues coming primarily from user charges to fund operations, debt service, and capital facilities.
 - ❑ The Friendship Center 2016 Operating Fund expects \$2,234,174 in revenues and \$2,216,265 in expenditures.
 - ❑ The Center’s Capital Fund is expected to possess \$28,000 on 1/1/16.
 - ❑ The FC Operating Board recommended approval of the budget at its 12/7/15 meeting.
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2016 LPTA Operating & Capital Funds

- ❑ The Lower Paxton Township Authority (LPTA) operates as an “enterprise” entity, providing sanitary sewer service.
 - ❑ The LPTA 2015 Operating Fund expects revenues of \$15,309,951 and expenditures of \$15,052,514.
 - ❑ LPTA expenditures for capital projects in 2016 are expected to be \$9,319,000.
 - ❑ The LPTA capital fund is expected to possess \$5.6 million on 1/1/16.
 - ❑ The LPTA plans to borrow \$25 million in 2016.
 - ❑ The LPTA adopted its budgets on 11/24/15.
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2016 LPTA Capital Funds

- ❑ LPTA expenditures for capital projects in 2016 are expected to be \$9,319,000.
 - ❑ The LPTA has determined that the most cost effective approach to eliminate overflows and reduce I&I is by a systematic “total rehabilitation” of mini-basins – replacement of all public and private sewers that fail an air test.
 - ❑ In 2016, the LPTA begin the Beaver Creek 4A/B/C mini-basin (\$4.6 million) and the Paxton Creek 4C/E Mini-basin (\$3.4 million).
 - ❑ The I&I Program extends through 2027 in Paxton Creek and 2033 in Beaver Creek.
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Lower Paxton Township

Tax Basics for 2016

Lower Paxton Township 2016 Municipal Tax Basics

- ❑ The largest source of revenue is the Earned Income Tax (EIT), expected to generate \$7.6 million.
 - ❑ The Real Estate Tax is expected to generate \$6 million at a levy of 1.95 mills.
 - ❑ The Local Service Tax is expected to generate \$1,250,000.
 - ❑ ***The Township levies no other taxes that are paid by residents on an annual basis.***
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Lower Paxton Township Real Estate Tax Basics for 2016

- ❑ The Real Estate Tax rate is 1.95 mills.
 - ❑ The Real Estate Tax is expected to generate \$6 million, **26.4%** of the General Fund.
 - ❑ 25% of the Real Estate Tax (over \$1 million) funds volunteer fire services.
 - ❑ **Only \$4.8 million in Real Estate Tax revenue is available for municipal operations in 2016.**
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Average Municipal Real Estate Tax Millage In Dauphin County

34 municipalities averaged 2.541 mills in 2015 (excludes 2 with no real estate tax and 4 with millage rates above 10 mills)

Lower Paxton Township – 1.950 mills in 2016

Lower Paxton Township 2016 Real Estate Tax (Example)

**The LPT Real Estate Tax for a house
with an assessed value of
\$200,000**

2016 Real Estate Tax (1.95 mills):

1.554 mills (general) \$310.80

.355 mills (fire protection) \$71.00

.041 mills (library service) \$8.20

TOTAL: \$390.00

Lower Paxton Township TOTAL Real Estate Taxation

In 2016, Lower Paxton Township property owners will pay real estate taxes at the rate of 24.0382 mills; to CDSB at 14.8622 mills, Dauphin County at 7.226 mills, and LPT at 1.95 mills.
