

LOWER PAXTON TOWNSHIP



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2024 BUDGET PRESENTATION
TUESDAY, NOVEMBER 14, 2023 – 7:00PM

PUBLIC BUDGET PRESENTATION - NOVEMBER 15, 2023

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Township Budget Highlights

- General Fund
 - Revenues - \$ 28.6 million (*rounded*)
 - Expenditures - \$ 28.1 million

- Solid Waste & Recycling Collection Fund (NEW)
 - Revenues - \$ 7.86 million
 - Expenditures - \$ 7.79 million

- State Aid Fund
 - Revenues - \$ 1.75 million
 - Expenditures - \$ 1.80 million

- General Improvement and American Rescue Plan Act (ARPA) Funds
 - Revenues - \$ 4.06 million
 - Expenditures - \$ 5.94 million

- Fire Protection Tax & Equipment Fund
 - Revenues - \$ 2.22 million
 - Expenditures - \$ 2.29 million

- Excludes Fiduciary Funds of the Township (4)



2024 Township Municipal Budgets Overview

- Township Budgets scheduled for adoption at Board of Supervisor's Meeting on December 19, 2023

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Township Authority Budget Highlights

- LPT Authority Sewer Operating Fund
 - Revenues - \$ 18.44 million
 - Expenditures - \$ 19.55 million

- LPT Authority Sewer Capital Fund
 - Revenues - \$ 17.52 million (*includes \$16.165 million in new debt*)
 - Expenditures - \$ 12.98 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*

- LPT Authority Stormwater Operating Fund
 - Revenues - \$ 3.56 million
 - Expenditures - \$ 3.38 million

- LPT Authority Stormwater Capital Fund
 - Revenues - \$ 315,000
 - Expenditures - \$ 6.49 million
 - *From unspent bond/debt proceeds and accumulated interest earning reserves*

Proposed total expenditures for 2024 Municipal Budgets across all agencies total \$ 88.33 million

2024 Authority Municipal Budgets Overview

- Authority Budgets to be finalized, presented, and adopted by LPT Authority Board on November 28, 2023

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2024 General Fund Budget Overview

- Provides all general services to residents and property owners/occupants of the Township – public safety, public works, parks and recreation, community and economic development, and general administrative services
 - Most municipal services do not have direct charges to offset their costs, relying on taxation (primarily real estate and earned income sources) to fund these services
 - Majority of expenditures in providing these services, as with any municipal entity's General Fund operation, relate to personnel and related benefits for the benefit of the community (76% of total expenditures)
- General Fund is balanced for 2024 based on proposed addition of financial reserves of \$516,000
 - Starting 2023 financial reserves totaled \$12.56 million, and projected 2024 results would bring starting 2025 financial reserves to \$13.72 million (48% of proposed operating General Fund revenues [minimum 25%, or three months])
- Funded primarily from real estate and earned income tax revenues (59% of total revenues)
 - Accounts for general (1.554) and library (0.041) real estate tax milage – **unchanged since 2016**
- Capital investments (property, equipment, and facilities) are limited in the General Fund budget, as the Township strategically invests in our vast parks and recreation infrastructure system in our General Improvement and American Rescue Plan Act (ARPA) Funds

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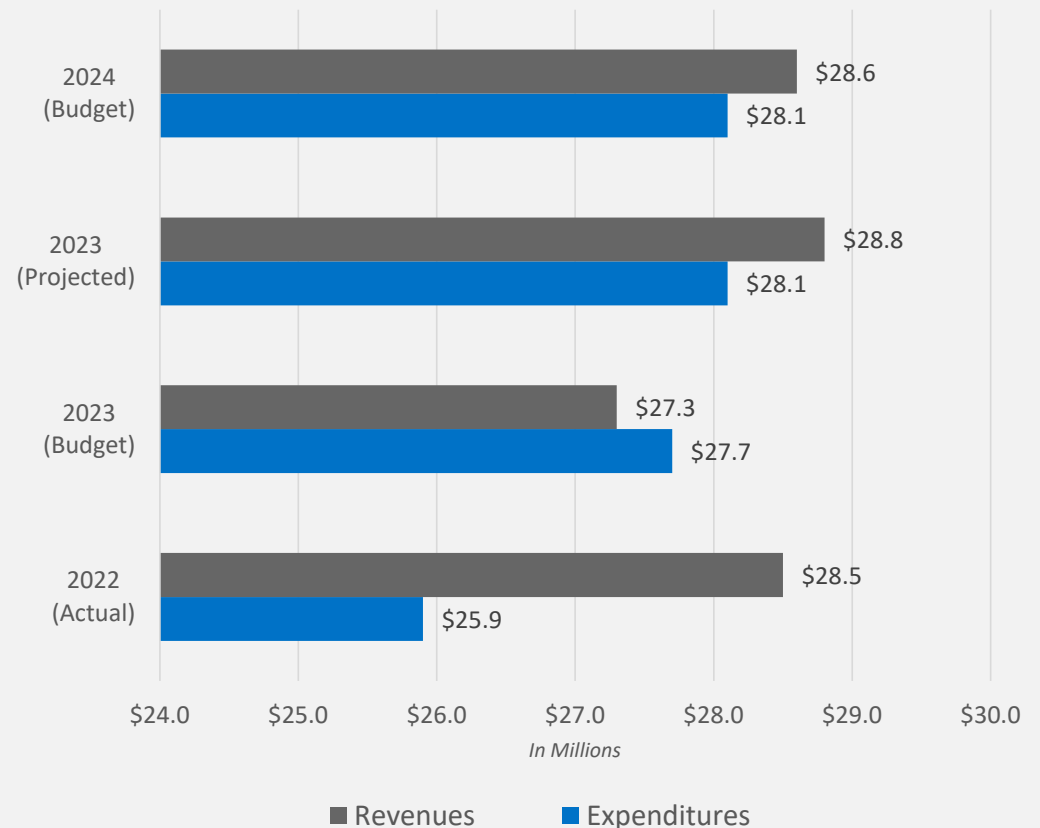


2024 General Fund Budget Overview

Revenue Trends for 2024 Budget

- Overall increase of \$1.36 million (5%) in revenues versus 2023 budget
 - Continued growth projected in taxes, primarily earned income taxes relative to continued housing development occupancy and area wage growth (\$568,000 increase)
 - Improved liquid investment earnings (\$227,000 increase)
 - Increased revenues from Police PCCD and Traffic Enforcement Grant programs (\$323,000 increase)
 - Projected increase in Pension State Aid, indexed on 2023 results (\$159,000 increase)
- Revenues have been consistent over the past several years, highlighting minimal growth
 - **General (1.554) and library (0.041) tax milage remains unchanged since 2016**
 - From 2012-2022, population rose 15%, but assessed real estate values only 1% the last several years
 - 2023 budget highly conservative for earned income taxes, which continued to significantly improve in mid/late 2022 and have continued positive increase trends (five-year 30% growth)

General Fund: Revenues vs. Expenditures Trends



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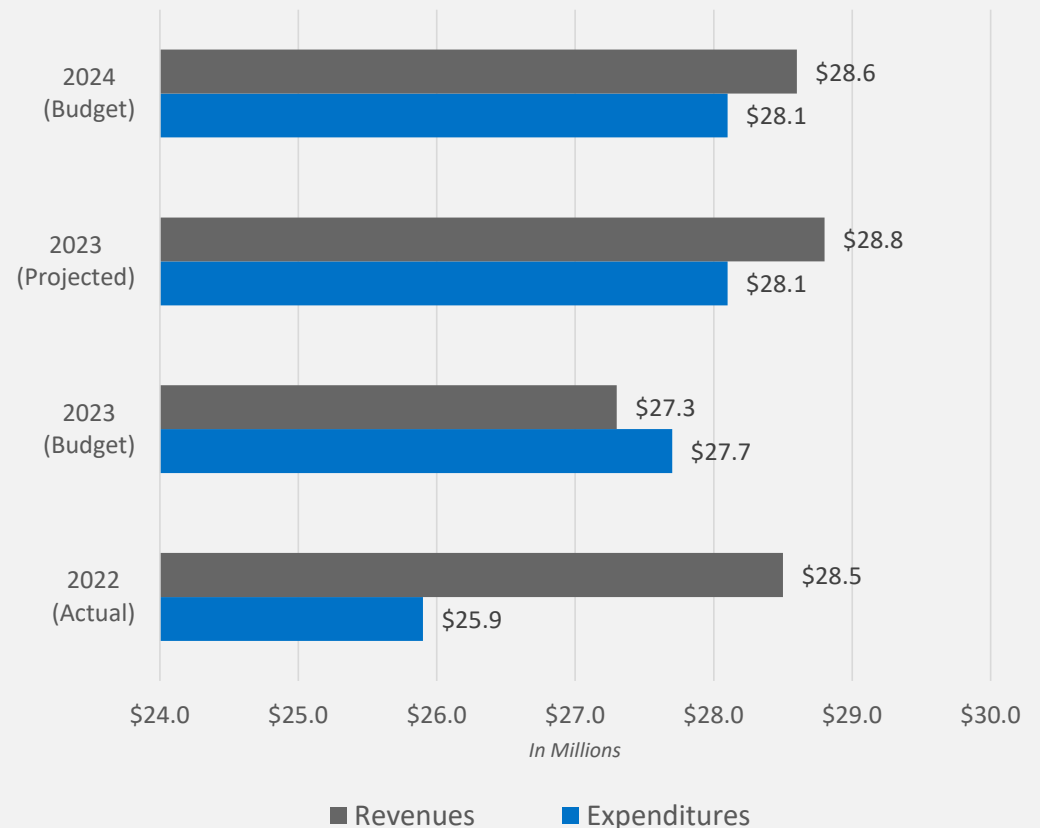


2024 General Fund Budget Overview

Expenditure Trends for 2024 Budget

- Overall increase of \$366,000 (1%) in expenditures versus 2023 budget
 - Personnel and related benefits (contractual costs) account for \$21.35 million of the overall expenditure budget (76%)
 - Decrease of \$68,000 (under 1%) under 2023 budget, reflecting impact of innovative inflation mitigation stipends to staff in 2023, partially offset with OPEB Trust funding initiative (\$400,000 for 2024)
 - Discretionary costs account for \$6.76 million of the overall expenditure budget (24%)
 - Increase of \$435,000 (7%) over 2023 budget, primarily for Police Traffic Safety Grant administration (\$193,000), historical State Foreign Fire Relief (\$50,000), and capital project transfers (\$128,000)
 - General Obligation Bond debt service, primarily relative to improvements to municipal facilities, budgeted at \$1.98 million (*no new General Fund bond/loan debt proposed*)
 - Declines mildly over the next two years, over \$200,000 starting in 2027, and nearly \$1.01 million starting in 2029
- Expenditure growth from 2022 to 2024 (budget) primarily tied to rise in personnel, health insurance, and pension obligation costs as well as instituting OPEB Trust funding

General Fund: Revenues vs. Expenditures Trends



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2024 Solid Waste & Recycling Collection Fund Budget Overview

- Established in June 2023 to administer Township billing, collection, and customer service functions of the Penn Waste residential refuse contract
 - Based on bid provisions, Township absorbed these functions to save each residential customer \$100 a year (or roughly \$1.67 million over the population, annually) at \$5/quarter administrative charge versus Penn Waste bid of \$30/quarter
 - Fund accounts for the quarterly billing and collection of the administrative charges, and the monthly charges from Penn Waste under the contractual agreement as well as office and administrative-related charges
- Contract rates approved will be adjusted every January 1st for Dauphin County Incinerator tipping fee increase, and every July 1st for fuel adjustor assessment (could increase/decrease contracted rates)
- Small amount of financial reserves are projected into 2025 (\$96,000), which will be used to offset future contractual increases as well as investment in more robust and customer-centric software solutions

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2024 State Aid Fund Budget Overview

- Accounts for Highway Liquid Fuels allocation from PennDOT (Motor License Fund tax collections)
 - Significantly negatively impacted for 2021 (reduced by \$115,000) due to COVID-19 travel impacts, but fully rebounded by 2023
 - Initial State estimates for 2024 are slightly increased over 2023 projected results (currently estimated at \$1.71 million, up 3%)
 - Funds are mandated for use relative to Township roads, including equipment/vehicle acquisition for repair and maintenance functions, relative to 215 of our total 218 miles of roadway!
- Total proposed expenditures of \$1.80 million reflects \$96,000 (6%) reduction from 2023 budget, primarily due to no capital outlays proposed (*majority of fleet assets are leased*)
 - Paving projects total \$1.19 million of the proposal – only supports just over 2.25 miles of paving, or a 92-year turnover plan
- State Aid Fund is balanced for 2024 based on proposed use of financial reserves of \$58,000, which would bring anticipated financial reserves to start 2025 to \$361,000

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2024 General Improvement and ARPA Funds Budget Overview

➤ ARPA Fund

- Accounts for unspent American Rescue Plan Act (ARPA) awards (\$5.2 million previously received), transferred to the General Improvement Fund for Township Board of Supervisor authorized project spending (*allows segregation of the Federal Funds for tracking/management purposes*)
- Projected reserves to start 2024 are \$4.12 million, and \$1.55 million is proposed to be transferred to the General Improvement Fund – anticipated \$2.57 million unspent to start 2025; no other activity to note

➤ General Improvement Fund

- Accounts for “non-routine” capital projects for the Township, often spanning multiple budget periods, funded through grants, bond proceeds, restricted donations/contributions, and transfers from the General Fund, as necessary
 - Accounts for all spending relative to American Rescue Plan Act (ARPA) awards received above
- Total revenues of \$5.61 million relate to the following
 - \$1.55 million transferred from the ARPA Fund, and \$193,000 transferred from the General Fund
 - \$3.83 million in Federal, State and County grant support for proposed capital project investments (*most awarded*)
 - \$40,000 projected short-term investment earnings relating to unspent parks monies

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2024 General Improvement and ARPA Funds Budget Overview

Summary of Significant Proposed Investments from ARPA and Designated Park Proceeds for 2024

**\$3.34
Million**

Transportation
Safety and
Innovation
Improvements

**\$1.89
Million**

Parks and
Recreation
Improvements and
New Amenities

\$706,000

Public Safety and
Community
Development
Investments

*Over **\$12.10 million** is set for investment in the above projects over the 2022-2024 project period, and **over \$5.22 million** anticipated over 2025-2028 project period*

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2024 General Improvement and ARPA Funds Budget Overview

➤ General Improvement Fund

- Total expenditures of \$5.94 million (from unspent ARPA and designated parks donations and land sale proceeds as well as grants/contributions) as follows
 - Public Works/Transportation
 - Pedestrian and Traffic Safety Improvements (\$1.40 million) – Federal/State/County grant supported improvement projects relative to Union Deposit Corridor Pedestrian Safety, Linglestown Square Pedestrian Crossing, Route 22/Prince St, and Route 22/Lincoln/Allentown traffic safety improvements
 - Crums Mill Road Bridge Replacement (\$225,000) – estimate of initial engineering towards 2025/2026 reconstruction project (*fully grant funded, absent \$46,000 over project duration*)
 - Traffic Signal Improvements (\$1.15 million) – timing and signaling improvements for Route 39 and Colonial Road (Colonial/George and Valley/Devonshire) Corridors (*fully grant funded, absent approx. \$214,000 during project duration*)
 - Fleet Fueling Station Improvements (\$465,000) – replacement of unleaded and diesel underground fuel tanks with above-ground tanks, and replacement of filling station equipment/software (*ARPA funded*)
 - Other Improvements/Assessments (\$105,000) – infrastructure assessment study, pole communication removal, and final Roadbotics System scan software costs (*General Fund transfer/ARPA funded*)
 - Public Safety
 - PCCD Grant Improvements (\$560,000) – acquisition and service for 32 fixed-place license plate readers and five interviewing room cameras (*all netted with Federal grants, absent \$2,000*)
 - Other Improvements (\$112,000) – renovations/replacement for evidence garage/impound lot, and five vehicle modem replacements (*ARPA funding*)

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2024 General Improvement and ARPA Funds Budget Overview

➤ General Improvement Fund (*Continued*)

- Total expenditures of \$5.94 million (from unspent ARPA and designated parks donations and land sale proceeds as well as grants/contributions) as follows
 - Community Development - \$33,000 reflecting remaining cost estimate for CDBG Action and Customer Participation Plan consultant assistance (*new CDBG direct funding*)
 - Parks and Recreation
 - Stray Winds Park – Playground & Trail Improvements (\$295,000; *\$250,000 CFA Grant application pending*)
 - Koons Park – Walking Path Upgrade/Expansion, Tennis Court Patch/Paint Improvements, & Playground Replacement (\$484,000; *ARPA funded*)
 - Kohl Park – Court Facilities Updates & Happy Tails Dog Park Upgrades (\$527,000; *\$126,000 from County and restricted grants anticipated, and remainder designated parks and ARPA funded*)
 - George Park – In-Line Hockey Rink Renovations, Parking Lot Road Connection Construction, & Connected Walking Path (with Lamplight Park) (\$127,000; *designated parks funds*)
 - Conway Tract – Master Plan Implementation Support (\$150,000; *anticipated County funding*)
 - Centennial Acres Park – Basketball Court & Culvert Replacement (\$178,000; *designated parks funds*)
 - Brightbill Park – Parking Lot Resurfacing/Enhancements, Tennis Court Patch/Pave Improvements, & Santana Field Fence Replacement (\$112,000; *designated parks funds*)
- Remaining projected reserves (\$718,000) relate to unspent fee-in-lieu collections restricted for future park improvements

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2024 Fire Protection Tax & Equipment Fund Budget Overview

- Accounts for full fire protection tax milage (entirely centralized in 2022) to support fire protection services within the Township, including significant capital investment into volunteer fire department apparatus
- **Fire (0.6365) tax milage for fire protection and equipment purposes remains unchanged since 2022**
- Total proposed operating expenditures of \$2.29 million, with no capital expenditures anticipated; primary items include
 - \$526,000 for volunteer staffing stipend program, initiated in November 2023 to incentivize and improve minimum vehicle and response manning
 - \$184,400 for annual allotments provided to each of the three volunteer fire companies serving the Township (\$553,200 total), which includes \$8,500 to each for Township-purchased apparatus insurance allocation
 - \$220,000 for Deputy Fire Chief and allocated portion of Public Safety Director's salary and related taxes/benefits
 - In addition, \$68,500 estimated towards Workmens Compensation Insurance for volunteer fire personnel
 - \$261,000 for payments to Veolia for public fire hydrants throughout the Township
 - \$305,410 contribution to Township's Fire Equipment Plan Capital Reserve
 - \$311,000 in debt service (for prior ladder apparatus purchases)
- Fire Protection Tax & Equipment Fund budget is proposed to use only \$62,000 in operating reserves and add \$395,000 to capital reserves
 - Projected starting reserves for 2025 are \$1.1 million for operating and \$2.1 million for capital

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2024 Authority Sewer & Stormwater Budgets Overview

- Lower Paxton Township Authority Board is expected to adopt the 2024 Operating and Capital Fund budgets for the Sewer and Stormwater Funds on Tuesday, November 28, 2023, at 7PM public Board meeting
- Rates for sewer and stormwater services remain unchanged from prior year, at \$158 per quarter and \$26 per quarter (reduced in 2021 from \$32 per quarter), respectively
- Authority was awarded \$1.00 million State CFA Grant towards the Paxton Creek 3E sewer replacement project for 2024
- Capital budgets reflect continued significant investment in improvement of utility infrastructure throughout our collection and conveyance system, including full restoration of all related roadway infrastructure
 - \$12.98 million for sewer capital investments
 - \$6.49 million for stormwater capital investments
 - \$16.165 million new sewer issuance is anticipated in early 2024 for continued consent decree replacement projects within Beaver Creek and Paxton Creek

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2024 Municipal Taxation Overview

Total Township proposed real estate tax milage is 2.2315 (*dollar cost per \$1,000 of your home's assessed value*) – for average assessed home in the Township (\$225,200), real estate tax cost would be \$502.53 for 2024
Township services as follows



0.6365 mills = \$143.34/year



1.554 mills = \$349.96/year



0.041 mills = \$9.23/year

Within the County, only five municipalities have over 20,000 population – Lower Paxton, Swatara, Susquehanna, and Derry Townships and the City of Harrisburg

Excluding the City (**with 30.97 mills for land and 5.16 mills for buildings**), average real estate tax milage is 3.1605 mills; average relative to all taxing municipalities (36 when excluding two with milage rates over 30!) within the County is 4.14843 mills

Lower Paxton Township taxes continue to remain significantly lower than our neighboring communities!

15

PUBLIC BUDGET PRESENTATION - NOVEMBER 15, 2023

LOWER PAXTON TOWNSHIP



What are the Average Household's Taxes in the Township?

Based on Census data for the average valued home (\$225,200) and household income (\$77,583, assuming two working adults), the below is an estimate on the average local taxation for households in the Township

REAL ESTATE (PROPERTY) TAXES

\$3,933

School District

Milage of 17.4639
towards
primary/secondary
education (seven
municipalities)

\$1,548

County

Milage of 6.876
towards County
judicial, public safety,
and health/human
services provision

\$503

Township

Milage of 2.2315
towards General Fund
public services

INCOME TAXES

\$1,552

Earned Income

1.5% (School District)
and 0.5% (Township)
tax on gross earned
income

\$108

Local Service

\$52/person towards
emergency services
support

Of the total taxes estimated above (\$7,644), only \$994 (or 13%) goes to the Township to support public safety, roads and related network infrastructure, and vast parks/recreation services across the 28+ square mile municipality

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2024 TOWNSHIP MUNICIPAL BUDGETS OVERVIEW

*Thank you from the departmental staff of the
Township!*

QUESTIONS?

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