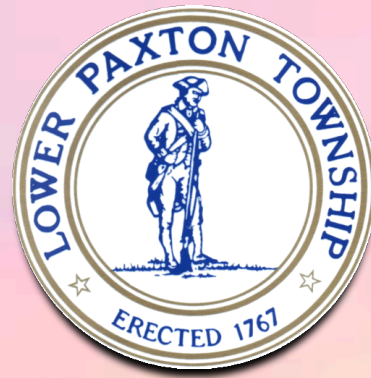


# Lower Paxton Township

***2021 BUDGET PRESENTATION***

***12/08/2020***





# 2021 LPT Municipal Budgets Summary

## ➤ Timeline:

- Adoption of the 2021 Township budgets is scheduled for 12/15/2020 during a public business meeting.
- The LPTA adopted its Sewer Fund and Stormwater Fund budgets during a public meeting on 11/19/2020.

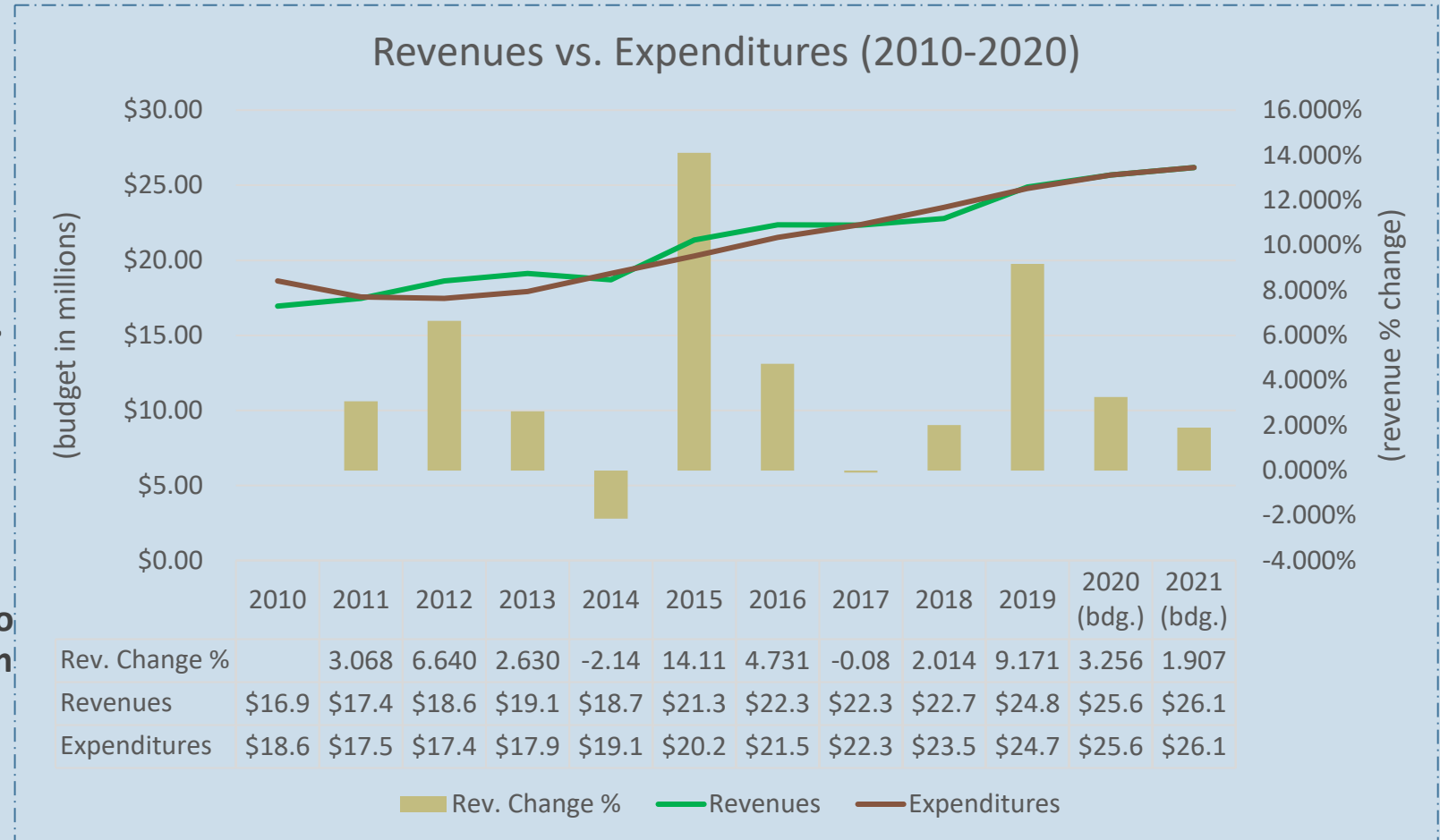
## ➤ Township Funds:

- General Fund: \$26,188,706 (balanced)
- State Aid Fund: \$1,851,246 (balanced)
- General Improvement Fund: \$382,303 (revenues) and \$165,500 (expenditures)
- Fire Equipment Capital Fund: \$620,300 (revenues) and \$314,890 (expenditures)
- LOSAP Fund: \$100,500 (revenues) and \$42,000 (expenditures)
- LPTA Sewer Operating Fund: \$17,027,314 (revenues) and \$17,652,812 (expenditures)
- LPTA Sewer Capital Fund: \$17,897,750 (expenditures)
- LPTA Stormwater Operating Fund: \$3,101,544 (revenues) and \$2,340,131 (expenditures)
- LPTA Stormwater Capital Fund: \$5,507,550 (expenditures)
- **Total proposed 2020 Township budget (not including pension funds):** **\$73,302,711**



# 2021 General Fund (01) Overview

- GF. Budget is balanced at \$26,188,706; a 1.90% increase over 2020 GF budget (3.6% increase 2019 to 2020)\*
- Is the primary source of Township revenues (and other funds: Gen. Improv., Fire Equip. Cap., LOSAP, and pension funds)
- 2021 general fund millage rate = 1.554; unchanged from 2020
- 2021 total real estate tax levy to remain 2.0565; unchanged from 2020
  - Fire tax: unchanged at .4615
  - Library tax: unchanged at .041





# COVID-19 Adjustments

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- Unprecedented hit to local governments:
  - Unemployment rates\*
  - Reduced revenues\*
  - Staff layoffs, eliminations, changes\*
  - Rapid innovation and policy adoption/alteration
- In LPT: the 2020 Budget was adjusted on June 16 to reflect an anticipated reduction in General Fund revenues totaling \$980,000, or 12.5% of 2019's EIT revenues
- Each Township department was asked to reduce budgeted expenditures
- To date, General Fund revenues are down a fraction less than the proactive \$980,000 expense reduction. The Board of Supervisors acted quickly and most diligently to put these expenditure cuts in place, and our departments held a very close eye on daily spending.



# State Aid Fund (10) Overview

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- State Aid Fund is balanced at \$1,851,246; a 9.9% increase over 2020 fund budget
- The State Aid Fund provides revenues to municipalities across the Commonwealth generated from taxes applied at fueling stations (gas tax). These revenues are to be expended on the maintenance and construction of Township roads (including the purchase of equipment and vehicles, etc.)
- \$1,262,446 is allocated in the 2021 budget on the paving of roadways; a 20% increase over 2020's paving allocation



# General Improvement Fund (15) Overview

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- The General Improvement Fund allocates \$382,303 in revenues and \$165,500 in expenditures
- The Fund is utilized by the Township for one-time capital projects that may or may not span more than one year
- The Fund anticipates a \$59,252 transfer from the General Fund, with the remaining \$954,275 in revenues coming from various grants, contributions, and \$259,303 from the Parks Escrow (fee in lieu monies) Account
- Some of the projects budgeted in the 2021 General Improvement Fund are:
  - Zoning and Land Development Ordinance (SALDO) comprehensive rewrite (GF)
  - Continued work on the Colonial Road adaptive traffic signals project (ARLE grant)
  - Capital improvement projects at various parks (Parks Escrow Account)





# Fire Equipment Capital Fund (20) Overview

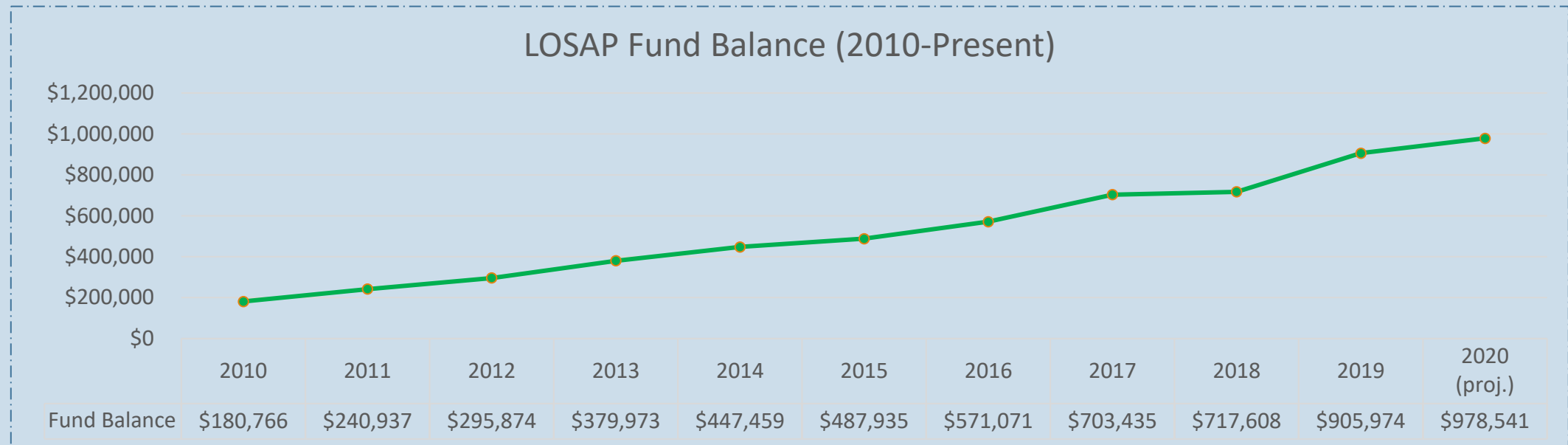
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- The Fund allocates \$620,300 in revenues (unchanged from 2020) and \$314,890 in expenditures
- The Fire Equipment Capital Plan covers 9 pieces of primary apparatus for the Township's 3 fire companies
- The current phase (Phase 5) of the Plan provided for the expenditure of \$3,118,500 for procurement of 3 primary apparatus.
- The next phase of purchases in the Plan as proposed will occur in 2029, allowing for the build-up of reserve Fund 20 funds of approximately \$2,000,000



# LOSAP Fund (21) Overview

- The LOSAP Fund allocates \$100,500 in revenues and \$42,000 in expenditures
- The Fund provides for the Length of Service Award Program (LOSAP), extending a defined benefit stipend to qualifying volunteer firefighters and/or fire police officers
- The LOSAP Fund balance is projected to be approximately \$978,541 at year end







# Friendship Center Fund (33) Overview

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- Fund 33 will be phased out at 2020 year-end
- The FC Fund was operated as an “enterprise” fund, with the intention of revenues emanating primarily from FC user charges
- Friendship YMCA building related items have been shifted into the 2021 General Fund
  - Drayer Physical Therapy rental income, utility expenses, ongoing debt service, etc.



# LPTA Sewer Operating (36) and Capital (37)

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- The Operating Fund anticipates revenues of \$17,027,314 and expenditures of \$17,652,812; a 9% increase in expenditures over the 2020 fund budget
- The Capital Fund anticipates expenditures of \$17,897,750; a 67.42% increase over the 2020 fund budget
- The sanitary sewer rate is expected to remain at \$153/qtr. In 2021
- The LPTA Board acted to adopt this budget on 11/24/20



# LPTA Stormwater Op. (36) and Capital (37)

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- The Operating Fund anticipates revenues of \$3,101,544 and expenditures of \$2,340,131; a 8.54% decrease in expenditures over the 2020 fund budget
- The Capital Fund anticipates expenditures of \$5,507,550; an 23% increase over the 2020 fund budget
- By action taken by the LPTA Board, the stormwater fee will reduce from \$128/year to \$104/year (\$26/quarter)
- The LPTA Board acted to adopt this budget on 11/24/20



# 2021 Municipal Taxing Basics

- Only 3 tax levies locally:
  - The largest source of revenue (31.3%) in the GF is Earned Income Tax (EIT), anticipated to generate \$8.2 million
  - The second largest source (24%) of revenue is the real estate tax at \$6.4 million
  - Third largest is Real Estate Transfer at \$1.5 million
- Of the total 2.0565 real estate tax, .4615, or 22.4%, is a special fire tax levy funding the volunteer fire services
- Average Dauphin County municipal tax rate, among 38 (2 have no real estate tax) in 2020 was 4.7796
  - 2.8506 excluding 5 with rates above 10
  - LPT rate = 2.0565; unchanged for 2021
- LPT Real Estate Tax bill for a house with an assessed valuation of \$200,000:
  - Total millage rate (2.0565):
    - 1.554 mills (general) = \$310.80/year
    - .4615 mills (fire protection) = \$92.30/year (2019, \$71.00)
    - .041 mills (library service) = \$8.20/year



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Questions?