



LOWER PAXTON TOWNSHIP

2022 BUDGET PRESENTATION
TUESDAY, DECEMBER 7, 2021 – 7:00PM



Township Budget Highlights

- General Fund
 - Revenues - \$ 25,217,503
 - Expenses - \$ 26,693,599
- State Aid Fund
 - Revenues - \$ 1,765,470
 - Expenses - \$ 1,615,450
- General Improvement Fund
 - Revenues - \$ 893,765
 - Expenses - \$ 1,014,937
- Fire Protection Tax & Equipment Fund
 - Revenues - \$ 2,130,253
 - Expenses - \$ 1,650,660
- Excludes Fiduciary Funds of the Township – Police and Non-Uniformed Pension Plans, and Length of Service Award Program (LOSAP)

2022 Township Municipal Budgets Overview

- Township Budgets scheduled for adoption at Board of Supervisor's Meeting on December 21, 2021



Township Authority Budget Highlights

- LPT Authority Sewer Operating Fund
 - Revenues - \$ 17,155,745
 - Expenses - \$ 18,520,693
- LPT Authority Sewer Capital Fund
 - Expenses - \$ 12,080,600
 - *From bond proceeds and accumulated reserves*
- LPT Authority Stormwater Operating Fund
 - Revenues - \$ 3,385,251
 - Expenses - \$ 2,461,632
- LPT Authority Stormwater Capital Fund
 - Expenses - \$ 5,694,902
 - *From bond proceeds and accumulated reserves*

Proposed expenses for 2022 LPT Municipal Budgets across all funds total \$ 69,732,473

- Decrease of \$ 2,494,558 (or 3%) versus 2021 adopted LPT Municipal Budgets

2022 Township Municipal Budgets Overview

- Authority Budgets adopted by LPT Authority Board on November 23, 2021

2022 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 development, and general administrative services
 - Most municipal services do not have direct charges to offset their costs, relying on taxation to fund the majority of these services
 - Majority of expenses, as with any municipal entity's General Fund operation, relate to personnel and related benefits to provide and manage those services for the benefit of the community
- General Fund is balanced for 2022 based on proposed use of financial reserves of \$1,476,096
 - Starting 2021 financial reserves totaled \$8,482,896 (additions to reserves totaled \$3,390,617 for 2019-2020)
- Funded primarily from real estate and earned income tax revenues (61% of total revenues)
 - Accounts for general (1.554) and library (0.041) real estate tax millage – unchanged from 2021
- Capital investments (property, equipment, and facilities) are currently limited in the General and General Improvement Fund budgets, as the Township continues evaluation of a strategic capital investment plan relative to American Rescue Act Funds awarded (\$5,226,762)

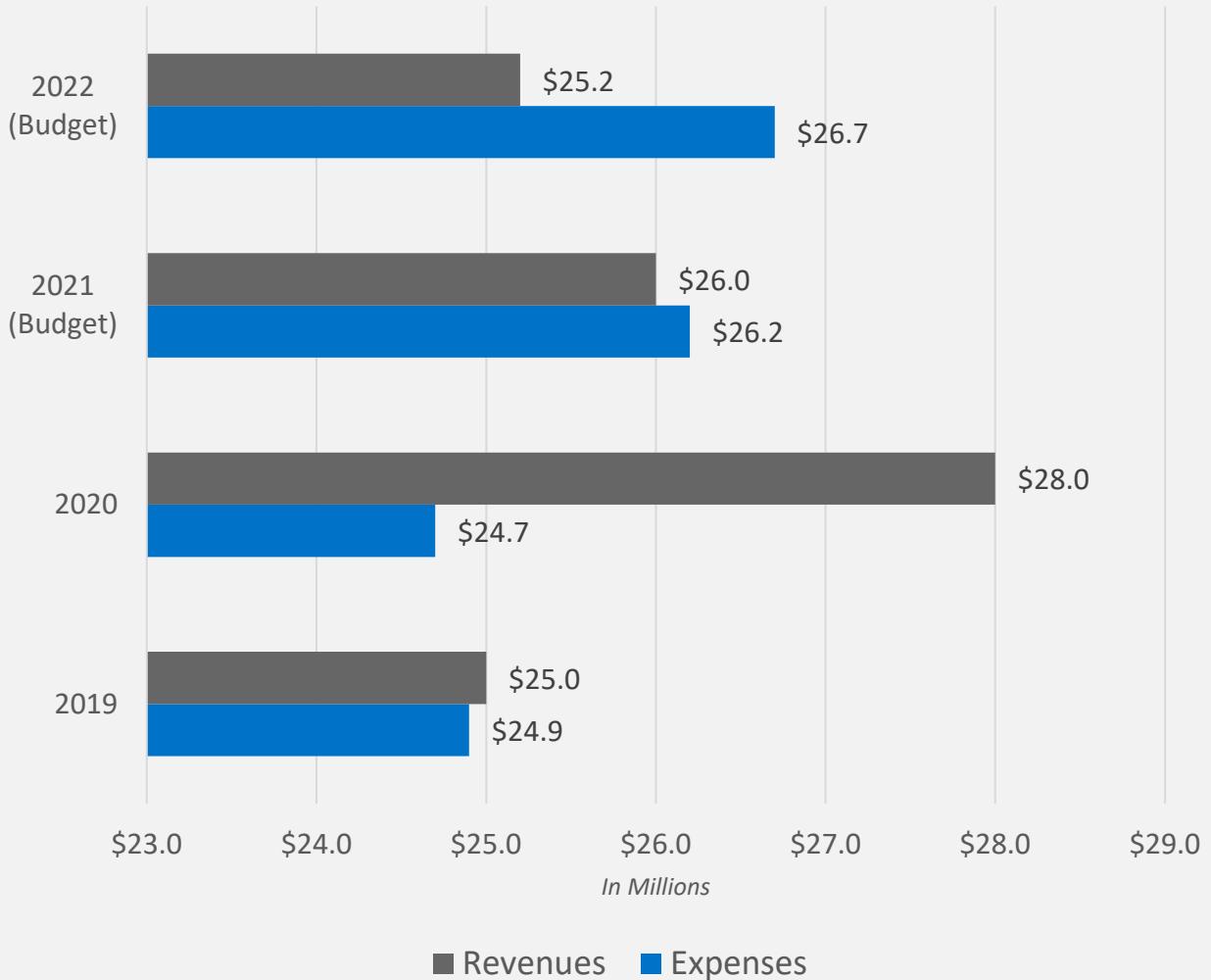
2022 General Fund Budget Overview



Revenue Trends for 2022 Budget

- Overall reduction of \$797,981 (3%) in revenues versus 2021 budget
 - Complete shift of fire protection tax millage to the Fire Tax & Equipment Fund for centralized management of these restricted tax revenues (est. \$1.3million reduction)
 - Continued growth projected in earned income taxes relative to housing development (est. \$300,000 increase)
 - Historical trending for real building/related permits providing for increased revenue (est. \$114,500 increase)
- Revenues have been consistent over the past several years, with minimal growth
 - **General (1.554) and library (0.041) tax millage remains unchanged since 2016**
 - Since 2010, population has risen 13%, but assessed real estate values by only approx. 1.3% per year on average
 - Spike in 2020 primarily relative to one-time Federal CARES Act funding for public safety costs relative to COVID-19 pandemic (\$2,609,043)

General Fund: Revenues vs. Expenses Trends



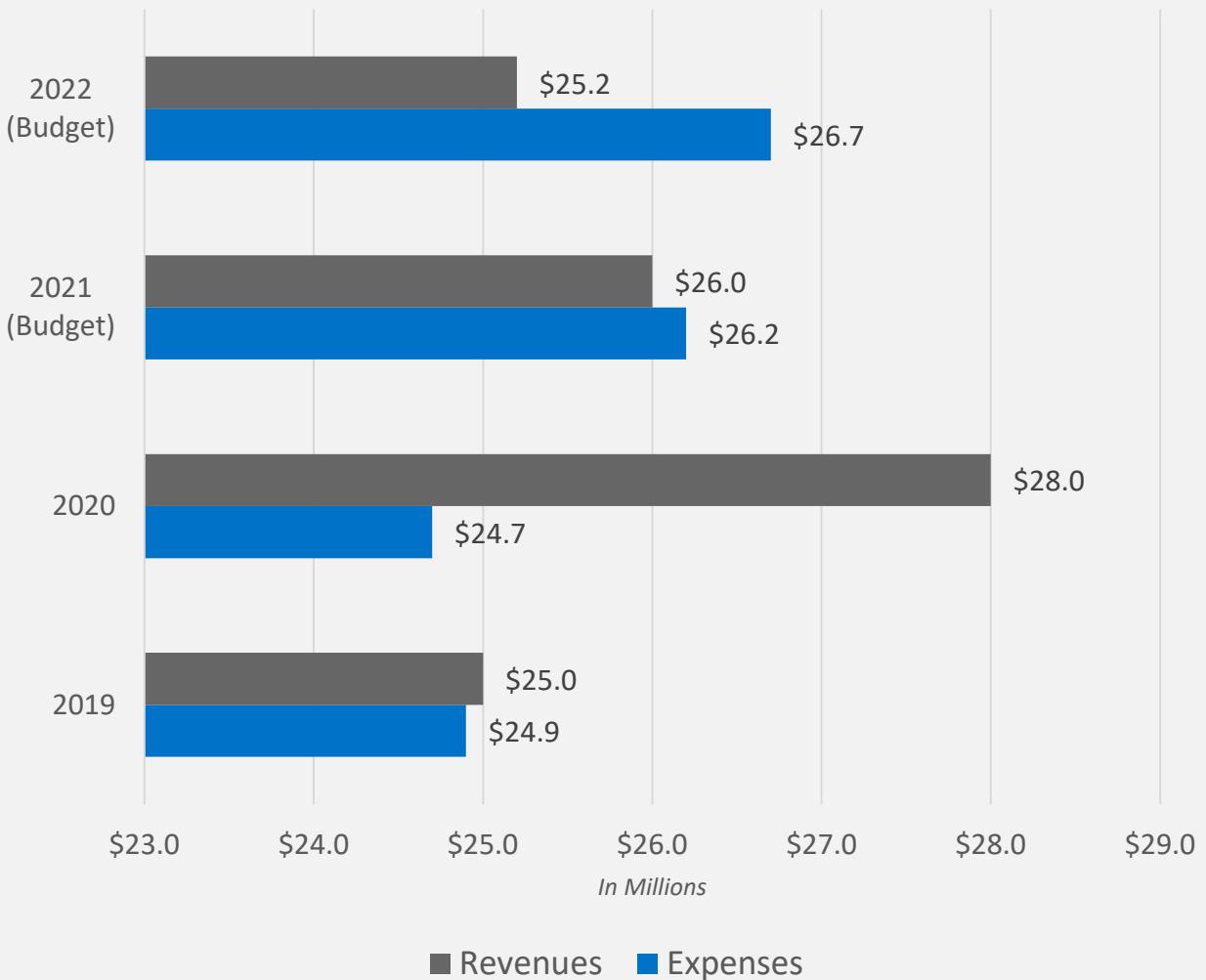
2022 General Fund Budget Overview



Expense Trends for 2022 Budget

- Overall increase of \$501,857 (2%) in expenses versus 2021 budget
 - Complete shift of volunteer fire allotments and fire hydrant costs to Fire Protection Tax & Equipment Fund -- \$730,000 reduction from 2021 budget in General Fund
 - Personnel and related benefits account for approx. \$20.5 million of the overall expense budget (77%)
 - Increase of \$633,039 (3%) over 2021 budget, reflecting contractual and proposed administrative compensation increases, and increase in health insurance costs
 - General Obligation Bond debt service, primarily relative to improvements to facilities, budgeted at \$2.0 million
 - No new debt proposed for General Fund purposes
 - Increase of \$443,881 (29%) relating to scheduled payments due
 - Declines by \$40,322 for 2023 and then more aggressively, to \$1,083,260 decline by 2028
- Expense growth from 2020 to 2021 (budget) primarily tied to rise in health insurance costs and pension obligations

General Fund: Revenues vs. Expenses Trends





2022 State Aid Fund Budget Overview

- Accounts for Highway Liquid Fuels allocation from PennDOT
 - Portion of annual allocation relates to the State's Motor License Fund tax collections
 - Significantly negatively impacted for 2021 (reduced by \$114,776) due to COVID-19 impacts
 - Initial State estimates for 2022 are comparable to 2021 results (currently estimated at \$1,465,153)
 - Funds are mandated for use relative to Township roads, including equipment/vehicle acquisition for those repair and maintenance functions
- State Aid Fund is balanced for 2022 based on proposed use of financial reserves of \$295,637
- Total proposed expenses of \$1,615,450 reflect \$235,796 (13%) reduction from 2021 budget
 - Paving projects total \$1,022,439 of the proposal, a decline of \$240,007 from 2021 budget

2022 General Improvements Fund Budget Overview



- Accounts for “one-time” capital projects for the Township, often spanning multiple budget periods, primarily funded through grants, bond proceeds, restricted donations/contributions, and transfers from the General Fund, as necessary
- General Improvements Fund is balanced for 2022 based on proposed use of unspent bond proceeds and financial reserves, totaling \$121,172
- Proposed revenues of \$893,765 primarily relate to Federal, State, and County grant funding relative the following programs for 2022
 - Red Top Road Bridge Rehabilitation – Joint project with PennDOT, continuing from prior years with completion to occur in 2022. Township is administering financial aspects of the project, with total projected 2022 expenses of \$803,437 offset by \$763,265 in Federal/State grant funding (net 5% Township obligation) and estimated \$5,000 to be reimbursed by the LPT Authority Sewer Fund for sanitary line relocation costs
 - McIntosh Road Bridge Rehabilitation – Joint project with Dauphin County, continuing from 2021 with completion to occur in early 2022. Township obligation to the County for the project is 40%; total projected 2022 expenses to close the project are estimated at \$95,000 (\$10,000 estimated to be reimbursed by the LPT Authority Sewer Fund for sanitary line relocation costs)
 - Strategic Management Planning Program (STMP) – 50% grant-funded program for extensive consultant evaluation of the Township’s operations and management to build a multi-year financial plan and establish short- and long-term operating and financial objectives. Proposed 2022 expense of \$116,500, with \$58,250 funded through the State grant

2022 Fire Protection Tax & Equipment Fund Budget Overview



- Accounts for full fire protection tax millage (entirely centralized for 2022) to support fire protection services within the Township, including significant capital investment into volunteer fire department apparatus
- 2022 budget initiates a comprehensive assessment of fire protection services within the Township
 - Extensive demand for volunteers and dwindling citizens to answer the call
 - Reduction in volunteer firefighters in Pennsylvania from 300,000 in the 1970's to fewer than 30,000 today
 - Township is supported by Colonial Park, Linglestown, and Paxtonia Volunteer Fire Departments
 - Rising operational, capital, and administrative costs relative to training and services require municipalities to supplement the volunteer model
 - As the 15th largest municipality in Pennsylvania and one of few municipalities its size relying solely on volunteers for fire protection services, the need to supplement volunteers with paid firefighters in years ahead is growing
 - Preserving fire protection and emergency response
 - 2022 budget includes addition of a Deputy Fire Chief position, and a comprehensive study for a long-term model for fire protection service assessment, apparatus management, and paid fire protection complement for volunteers for the Township as well as ensuring Emergency Medical Services (EMS), supporting both basic/advanced life support (BLS/ALS), remain strong throughout the Township
 - To commence the advancements above, a 0.175 mill increase to the Fire Protection Tax (currently 0.4615 mills) is proposed
 - Tax increase for the average homeowner will be only \$34 a year (based on \$200,000 median home value in Township)

2022 Fire Protection Tax & Equipment Fund Budget Overview



- Fire Protection Tax & Equipment Fund budget is proposed to add \$479,593 to reserves for future paid fire protection complement and rising apparatus cost needs
- Total proposed expenses of \$1,650,660; primary items include
 - \$170,500 for annual allotments provided to each of the 3 volunteer fire companies serving the Township (\$511,500 total)
 - \$124,680 for Deputy Fire Chief salary and benefits relative to second half of 2022, and duty vehicle
 - \$50,000 estimated for proposed comprehensive fire and emergency services long-term assessment and management study
 - \$260,000 for payments to Suez for public fire hydrants throughout the Township
 - \$305,410 contribution to Township Equipment Plan Capital Reserve
 - Follows funding model previously adopted, with next significant phase of planned purchases in 2029 (estimated at \$2,000,000)
 - \$314,010 for debt service relative to 2019 General Obligation Bonds issued for apparatus acquisitions

2022 Township Authority Sewer & Stormwater Budgets Overview



- Lower Paxton Township Authority Board adopted 2022 Operating and Capital Fund budgets for the Sewer and Stormwater Funds on Tuesday, November 23, 2021
- Rates for services remain unchanged from 2021, at \$153 per quarter for sanitary sewer and \$26 per quarter (reduced in 2021 from \$32 per quarter) for stormwater charges
- Capital budgets were adopted as follows, reflecting significant Township investment in improvement of utility infrastructure throughout our collection and conveyance system
 - \$12,080,600 for sewer capital investments
 - \$5,694,902 for stormwater capital investments
 - Additional issuance of approx. \$12 million in General Obligation Bonds for ongoing capital projects

2022 Municipal Taxation Overview



Total Township proposed real estate tax millage is 2.2315 – for average assessed home in the Township (\$200,000), real estate tax cost would be \$446.30 for 2022 Township services as follows:



0.6365 mills = \$127.30/year



1.554 mills = \$310.80/year



0.041 mills = \$8.20/year

Within the County, only four 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 millage is 3.1167 mills; average relative to all taxing municipalities (38) within the County (excluding municipalities with over 10 mills) is 2.9431 mills.

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

2022 TOWNSHIP MUNICIPAL BUDGETS OVERVIEW

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

QUESTIONS?

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