
2017 TOWNSHIP MANAGER COMPREHENSIVE BUDGET PRESENTATION

MONDAY OCTOBER 10, 2016



PRESENTATION AGENDA

- Major Revenue Assumptions
- Major Expenditure Assumptions
- 2017 General Fund Operating Statement Summary
- Capital Plan Summary
- Forecast Summary
- Sanitary Sewer Fund
- Park & Open Space Fund
- Recap
- Next Steps

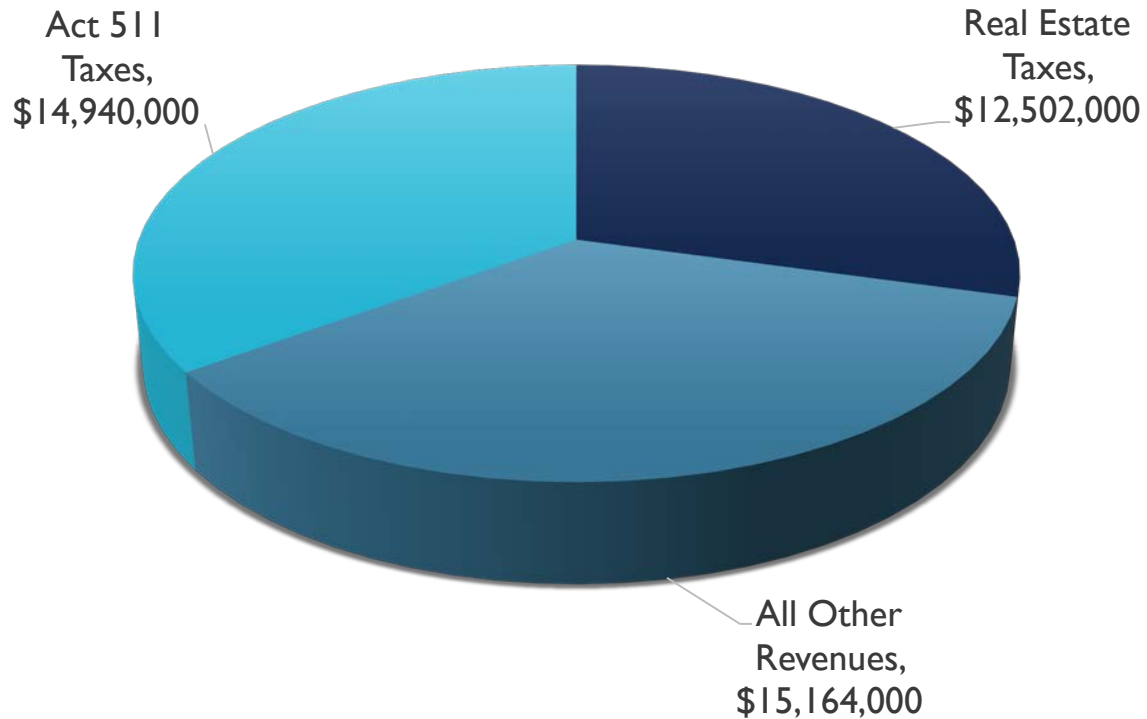
MAJOR REVENUE ASSUMPTIONS | SUMMARY

- General Fund:
 - No Tax Increase needed to fund operations and capital for 2017
 - Normal revenue growth in business taxes
 - Normal revenue growth in regular department activity (from non-tax sources)
 - Anticipating significant one-time revenue from Villanova development project
- Sanitary Sewer Fund:
 - No adjustment in the sewer rent (2017 will be the fourth year at the \$5.90 rate)
 - Anticipate a significant adjustment needed in future years as a result of ongoing RHM increases
- Stormwater Fund:
 - No adjustment in the stormwater fund fee (2017 will be the fourth year of collection, all at the same rate, as planned)
- Park and Open Space Fund:
 - Real Estate Transfer Tax revenues will not be sufficient to cover the debt service expense in 2017
 - The Board will need to provide direction on whether to levy the millage necessary to fund the voted open space bonds

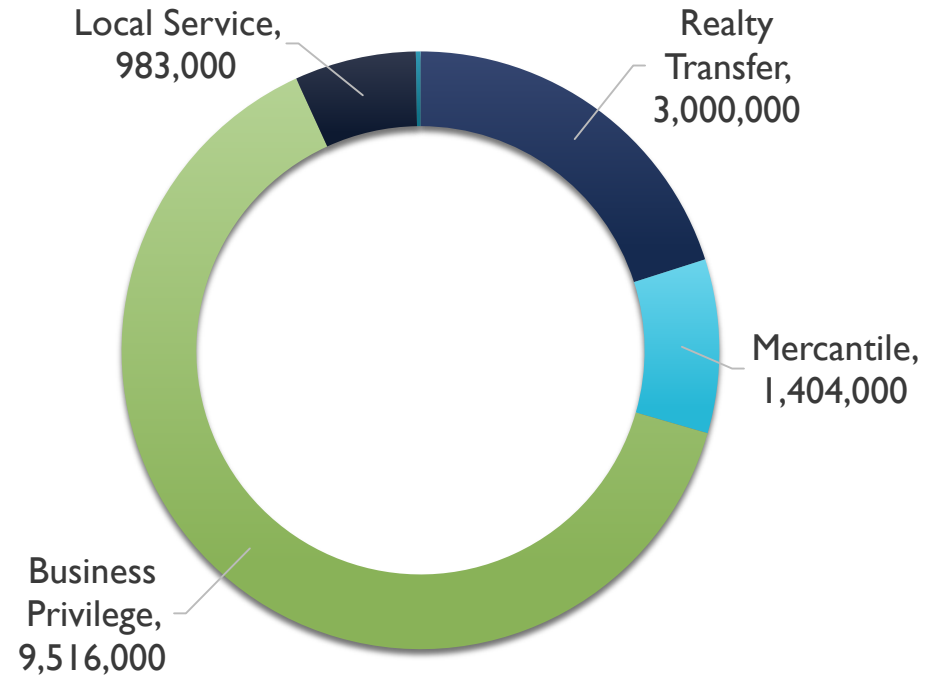
MAJOR REVENUE ASSUMPTIONS | REVENUE MAKEUP SUMMARY

[AGGREGATE – ALL FUNDS]

Township Revenue Sources



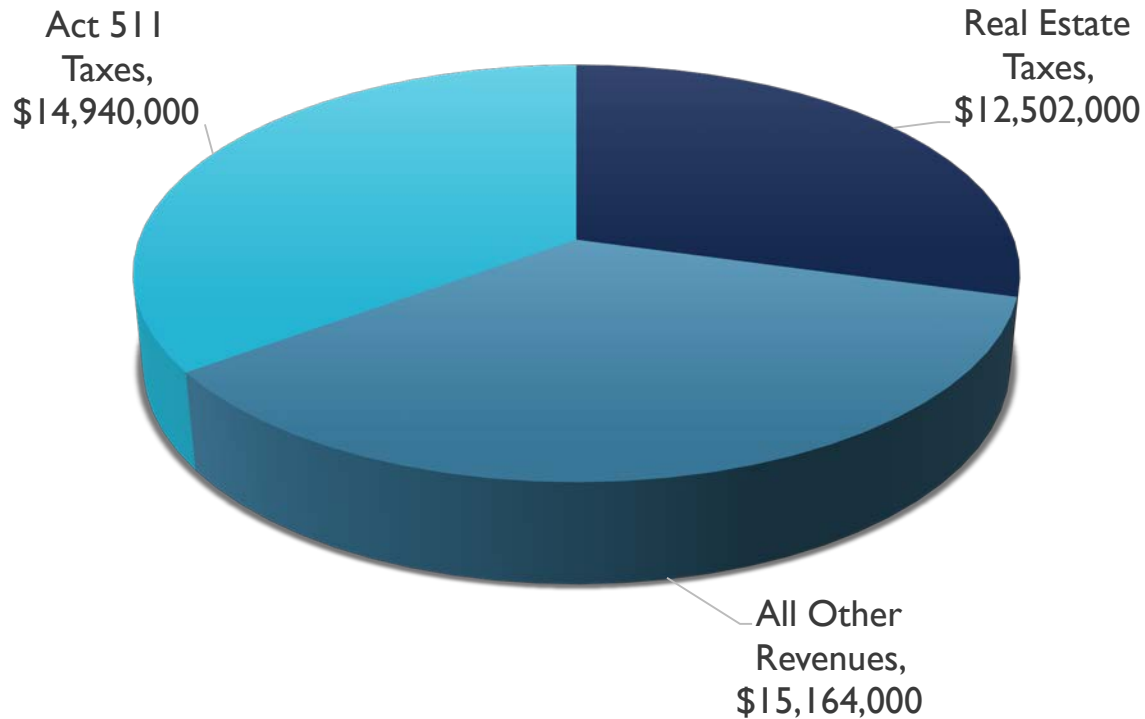
Act 511 Group



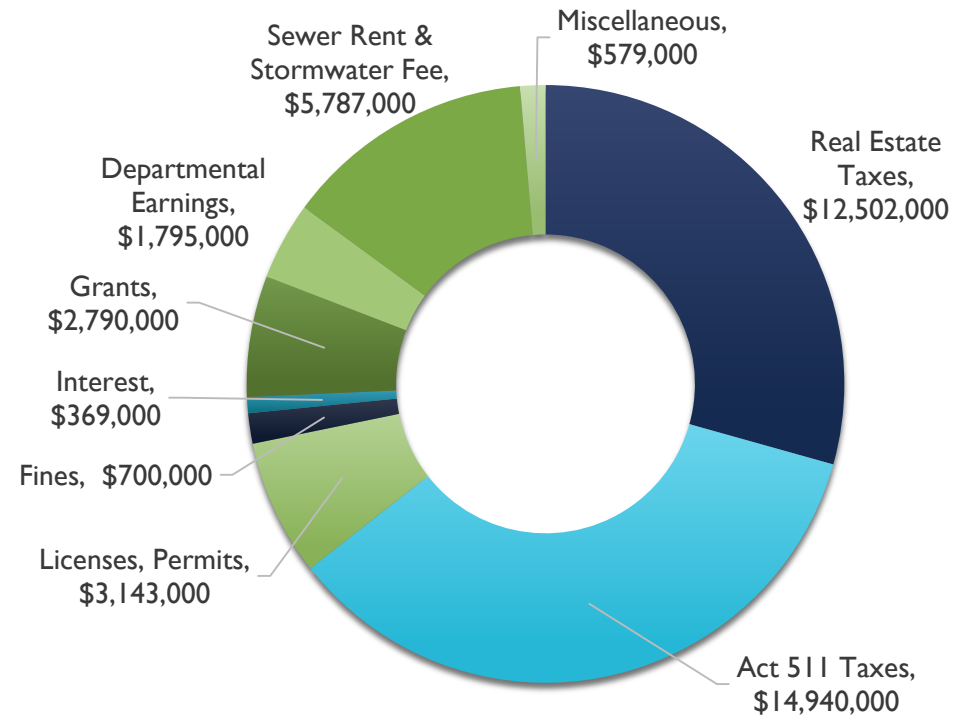
MAJOR REVENUE ASSUMPTIONS | REVENUE MAKEUP SUMMARY

[AGGREGATE – ALL FUNDS]

Township Revenue Sources

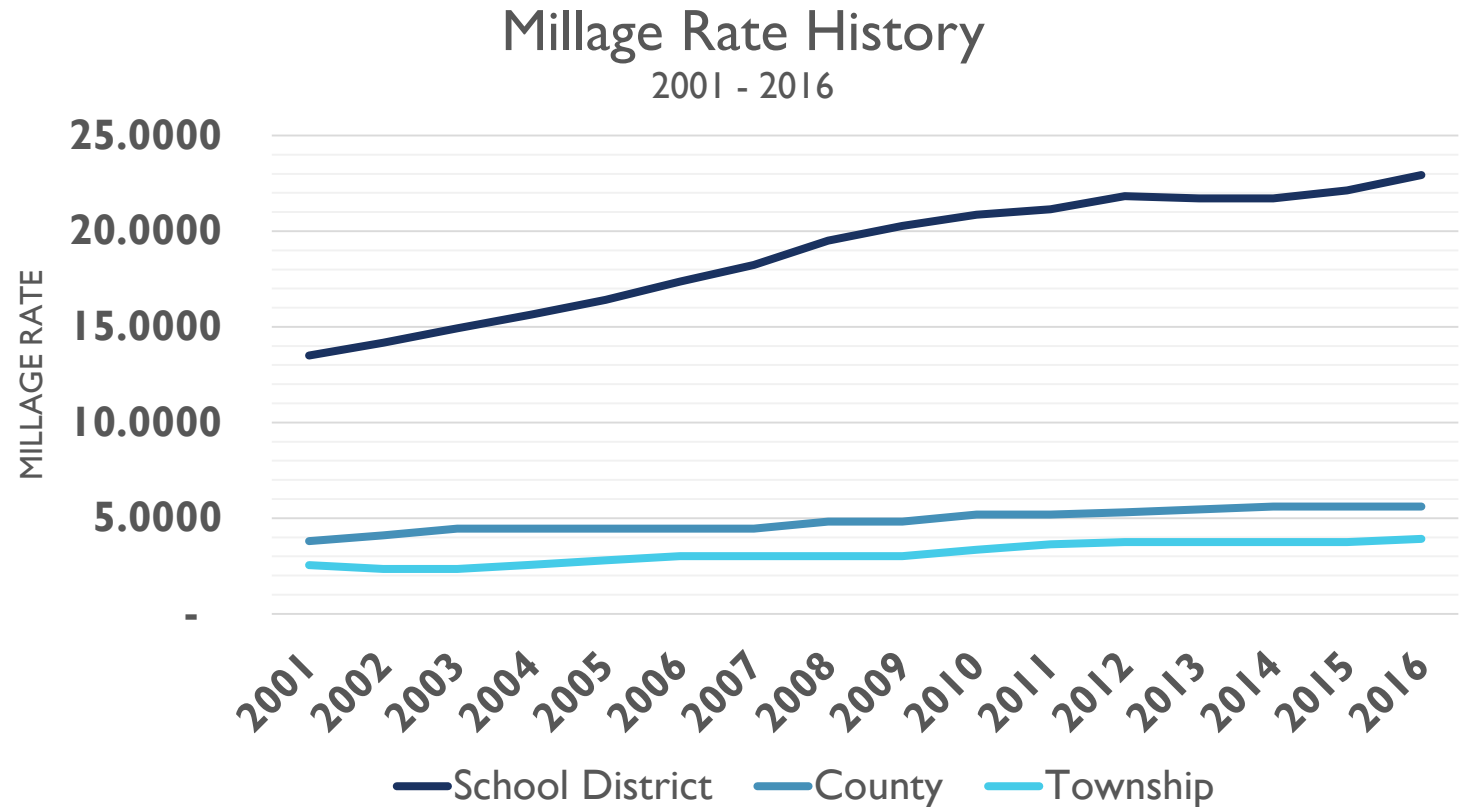


Township Revenue Sources



MAJOR REVENUE ASSUMPTIONS | REAL ESTATE TAXES

Year	Rate	Millage Δ	% Δ
2010	3.3411	0.3311	11.0%
2011	3.6411	0.3000	9.0%
2012	3.7511	0.1100	3.0%
2013	3.7511	0.0000	0.0%
2014	3.7511	0.0000	0.0%
2015	3.7511	0.0000	0.0%
2016	3.9228	0.1717	4.6%
2017 ¹	3.9228	0.0000	0.0%



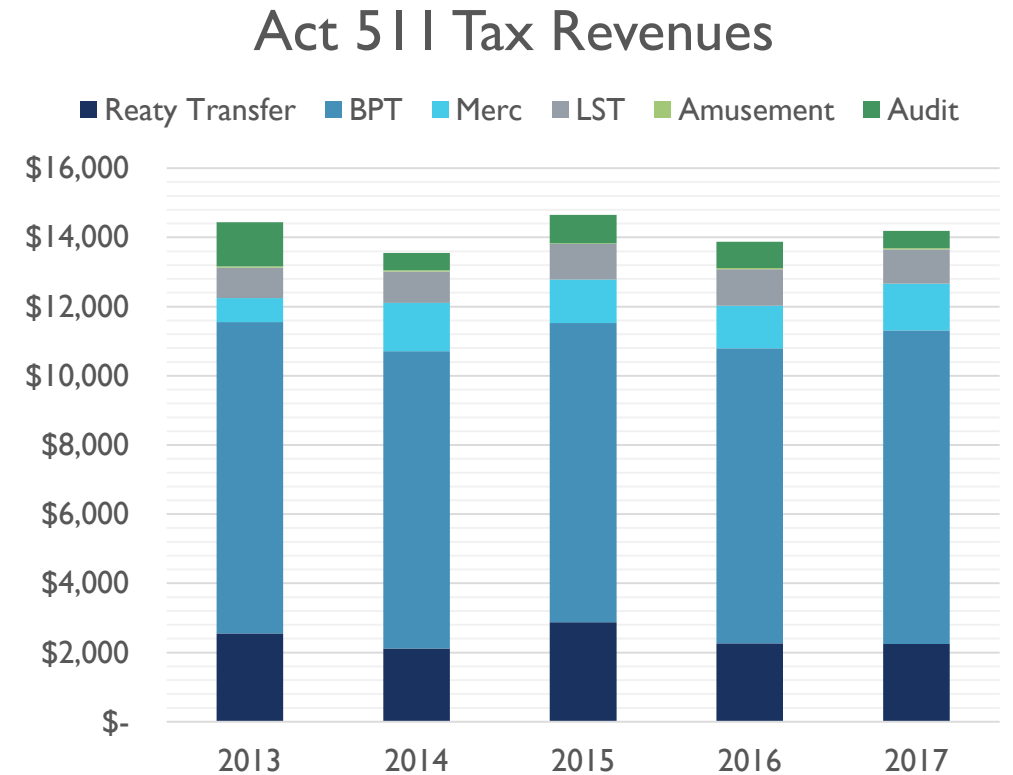
Amounts in \$1,000's

¹ 2017 Millage Rate Proposal does not include any potential millage needed for the voted open space bonds

MAJOR REVENUE ASSUMPTIONS | ACT 511 TAX REVENUES

[GENERAL FUND ONLY]

Rev	2013	2014	2015	2016	2017
Realty Trans.	\$2,551	\$2,121	\$2,873	\$2,270	\$2,250
BPT	9,004	8,587	8,647	8,523	9,061
Merc.	690	1,397	1,266	1,235	1,354
LST	882	910	1,019	1,050	983
Amus.	35	38	24	39	37
Audit ¹	1,279	498	826	754	505
Total	14,441	13,551	14,655	13,871	14,190



Amounts in \$1,000's

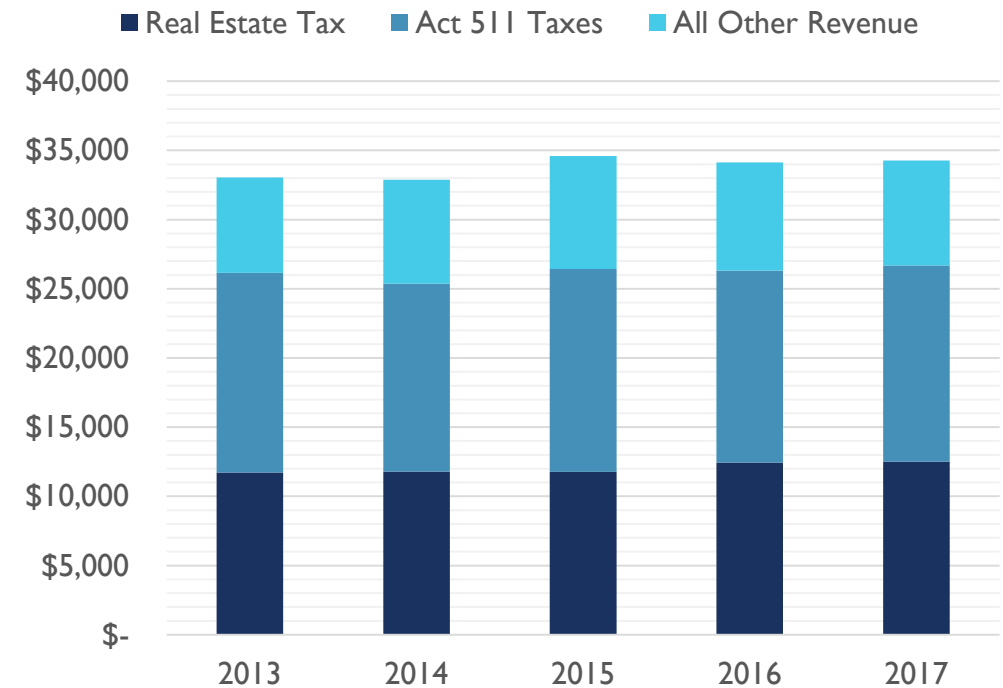
¹ 2013 Audit proceeds does not include the \$8.0 million audit settlement

MAJOR REVENUE ASSUMPTIONS | GENERAL FUND REVENUES

[GENERAL FUND ONLY]

Rev	2013	2014	2015	2016	2017
RE Tax	11,721	11,803	11,773	12,445	12,502
Act 511 Tax	14,441	13,551	14,655	13,871	14,190
All Other	6,889	7,537	8,158	7,823	7,579
Total	33,051	32,891	34,586	34,139	34,271

General Fund Revenue Totals



MAJOR EXPENSE ASSUMPTIONS | SUMMARY

- Staffing Assumptions:
 - All Departments | Based on today's position counts (under review)
 - Police | One patrol position remains budgeted, but unfilled from the 2016 budget
- Payroll Related Assumptions:
 - Wages | Increase of up to 2.75% for civilian (both union and nonunion) and +2.75% for F.O.P. (collectively bargained)
 - Healthcare | Increase of 1% (net of use of stabilization funds)
 - Pension | MMO increase of 1.0%, as adopted with Resolution #201697 on September 26, 2016
 - OPEB | Year four of the funding plan, adding \$200,000 thus bringing the funding to \$859,209 (additional funding is added through pay-as-you-go for new police hires and funding current retiree healthcare premium expenses)
- Capital Plan:
 - Pay as you go portion | Short-term assets (less than ten years in useful life, generally) will be funded through current revenues
 - Pay as you use portion | Long-term assets (permanent, long-life assets) proposed to be funded through bond financing in three to four year issuances [full presentation of proposal at the October 24 meeting]

MAJOR EXPENSE ASSUMPTIONS | SUMMARY

- Radnor Fire Company:
 - Increase of \$125,000 per year in funding to support ALS services
- Other Community Organization Funding:
 - Library | Reduction of \$24,214 (back to 2015 funding level) to offset operating cost reductions during renovations
 - Wayne Senior Center | Increase of \$50,000 per year in operational funding
 - Surrey Services | Elimination of annual funding stipend (2016 level is \$48,671)
 - Wayne Art Center | Same contribution in 2017 as 2016 (\$16,475)
 - Radnor Historical Society | Holding to original request of \$15,000
 - Parades | Holding contributions at \$4,000 per parade (x2)

MAJOR EXPENSE ASSUMPTIONS | WAGES

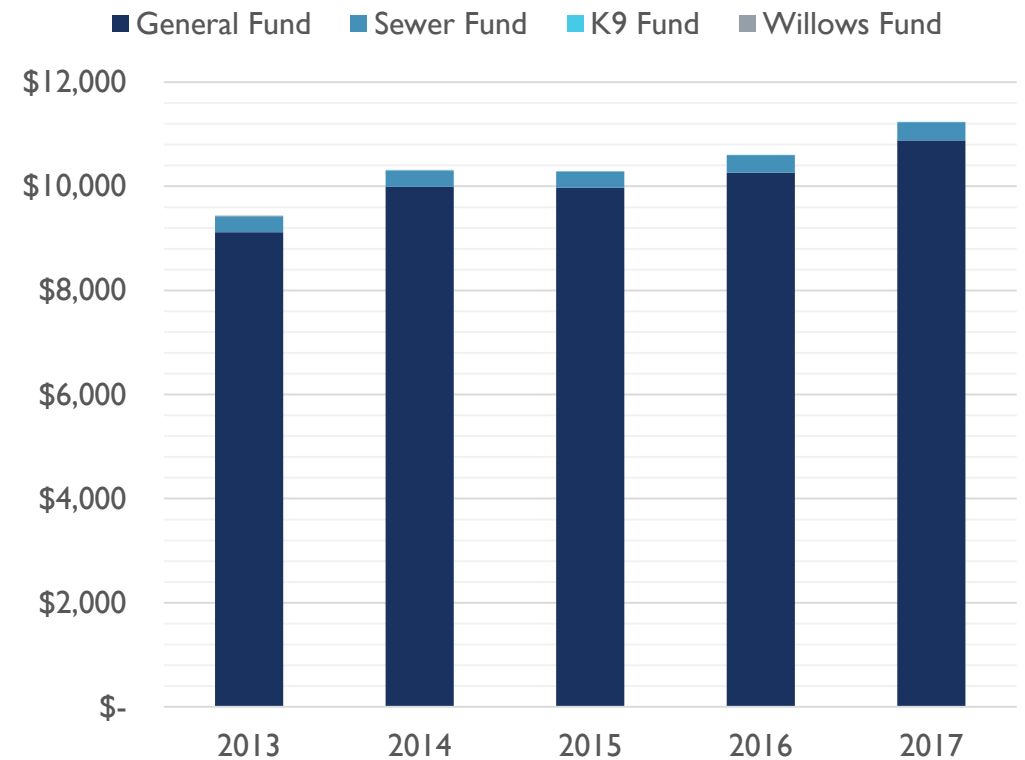
[AGGREGATE – ALL FUNDS]

	2013	2014	2015	2016	2017
General	9,116	9,991	9,970	10,262	10,883
Sewer	307	315	316	338	357
K9	-	2	3	4	3
Willows	14	1	-	-	-
Total	9,437	10,309	10,289	10,604	11,243

+9.2% -0.2% +3.1% +6.0%

% of GF Expense	27.7%	30.5%	29.8%	30.7%	31.8%
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Wages Expense Totals



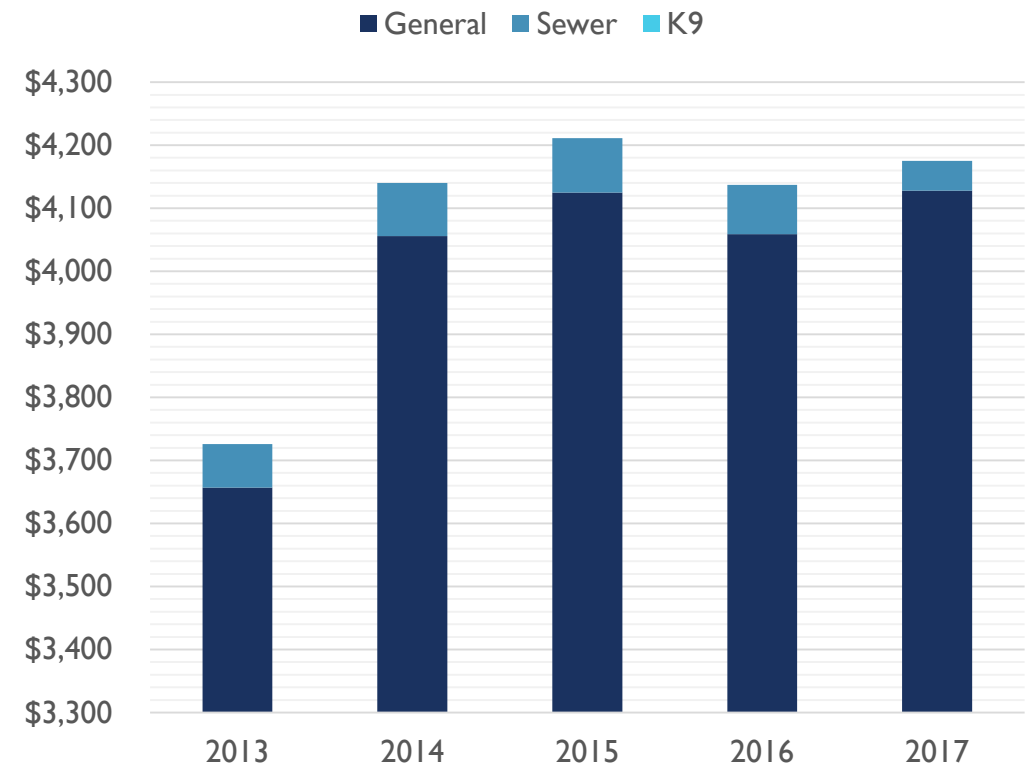
MAJOR EXPENSE ASSUMPTIONS | PENSION

[AGGREGATE – ALL FUNDS]

	2013	2014	2015	2016	2017
General	3,657	4,056	4,125	4,059	4,128
Sewer	69	84	86	78	47
K9	-	-	-	-	-
Total	3,726	4,140	4,211	4,137	4,175

% of GF Expense	11.1%	12.4%	12.3%	12.1%	12.1%
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Pension Expense Totals

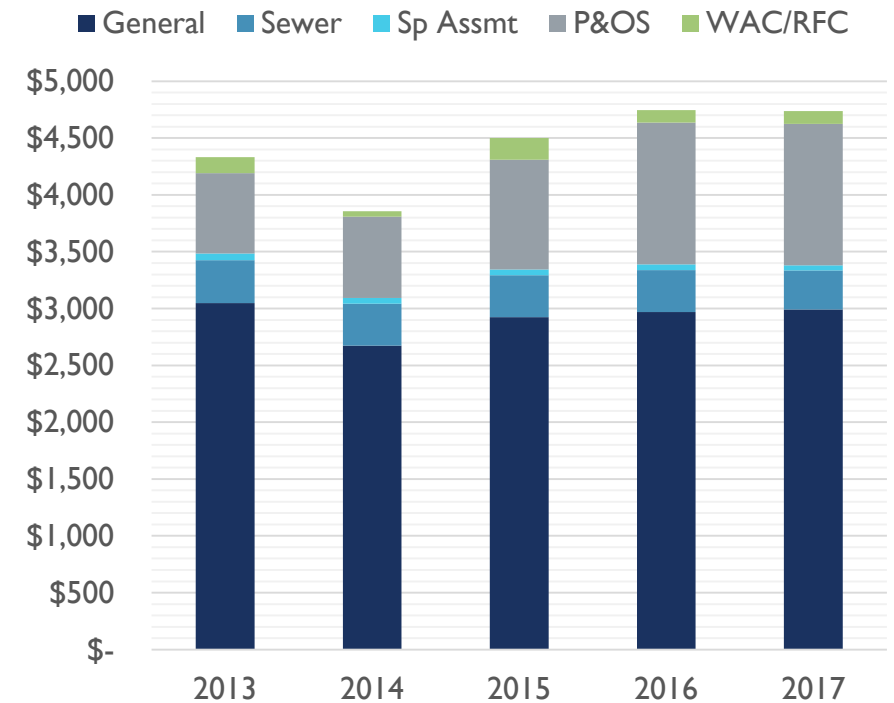


MAJOR EXPENSE ASSUMPTIONS | DEBT SERVICE

[AGGREGATE – ALL FUNDS]

Fund	2013	2014	2015	2016	2017
General	3,048	2,673	2,924	2,970	2,991
Sewer	377	369	369	369	344
Special Assessment	59	50	50	50	46
Park & Open Space	706	715	966	1,246	1,244
W.Art Center/Radnor Fire	143	50	191	111	111
Total	4,333	3,857	4,500	4,746	4,736
% of General Fund Exp.	9.3%	8.2%	8.7%	8.9%	8.7%

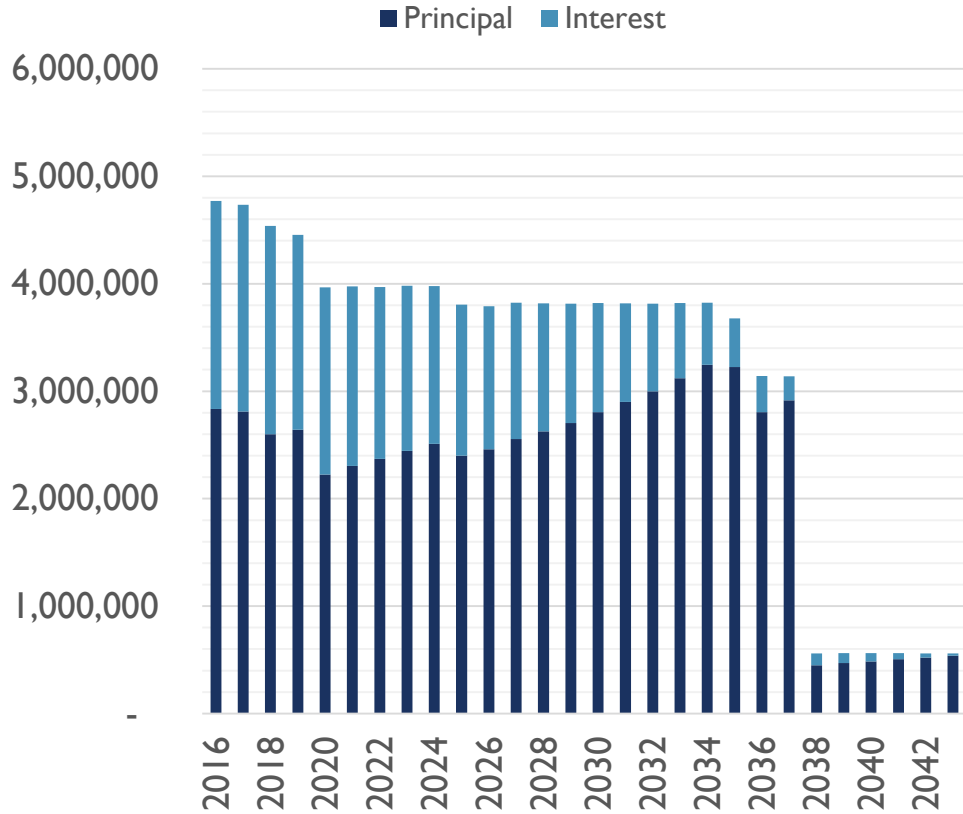
Debt Service Expense by Fund



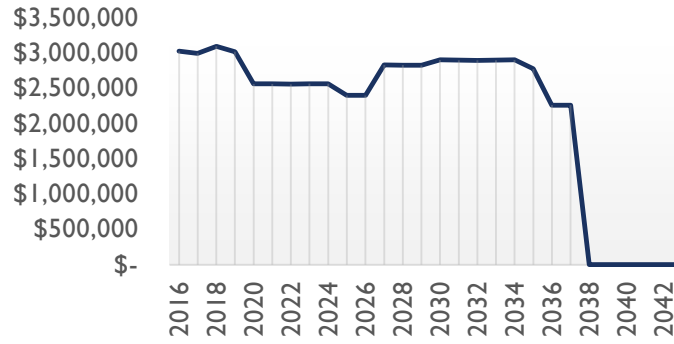
MAJOR EXPENSE ASSUMPTIONS | DEBT SERVICE (CONT'D)

[AGGREGATE – ALL FUNDS]

Annual Debt Service Expense



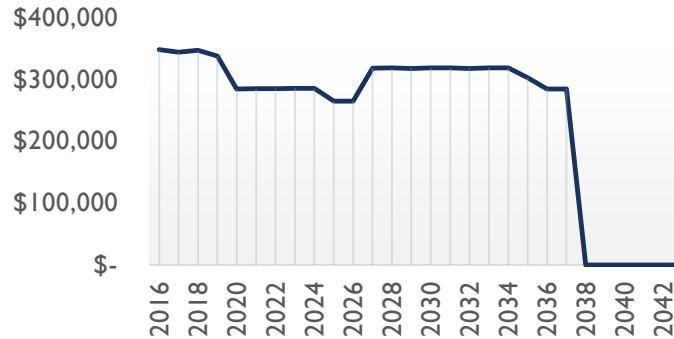
Net General Fund Total



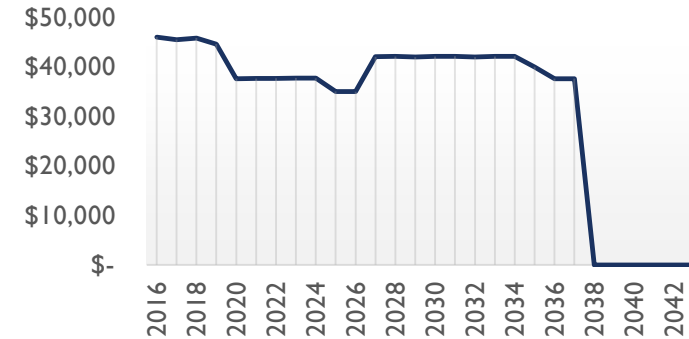
Park & Open Space Fund



Sanitary Sewer Fund



Special Assessment Fund



MAJOR EXPENSE ASSUMPTIONS | GENERAL FUND EXPENSES

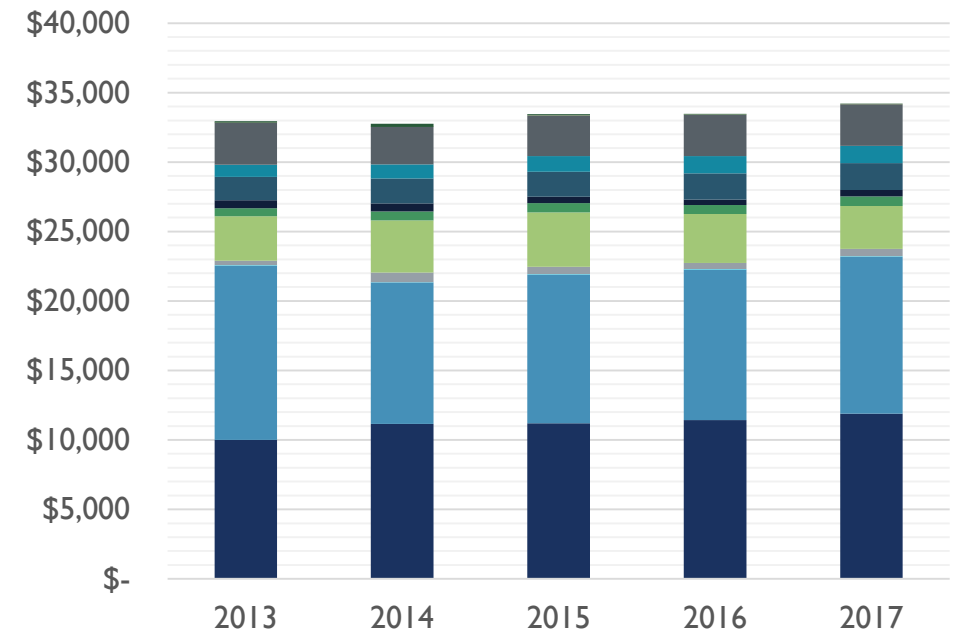
[GENERAL FUND ONLY]

	2013	2014	2015	2016	2017
Wages	9,999	11,143	11,200	11,425	11,891
PR Liab/Ben	12,538	10,186	10,698	10,838	11,260
Training	31	26	32	42	37
Sup/Mat	338	695	525	442	531
Cont. Svc	3,195	3,755	3,929	3,508	3,074
Utilities	585	639	661	658	708
Fleet	560	585	454	394	444
Orgs	1,689	1,793	1,797	1,887	1,955
Capital	866	1,019	1,139	1,235	1,239
Debt	3,052	2,677	2,927	2,973	2,991
Misc	5	11	10	25	15
Transfers	93	216	90	40	33
Total	32,951	32,745	33,462	33,467	34,178

Amounts in \$1,000's

General Fund Expenses by Type

- Wages
- PR Liab/Ben
- Training
- Sup/Mat
- Cont.Svc
- Utilities
- Fleet
- Orgs
- Capital
- Debt
- Misc
- Transfers



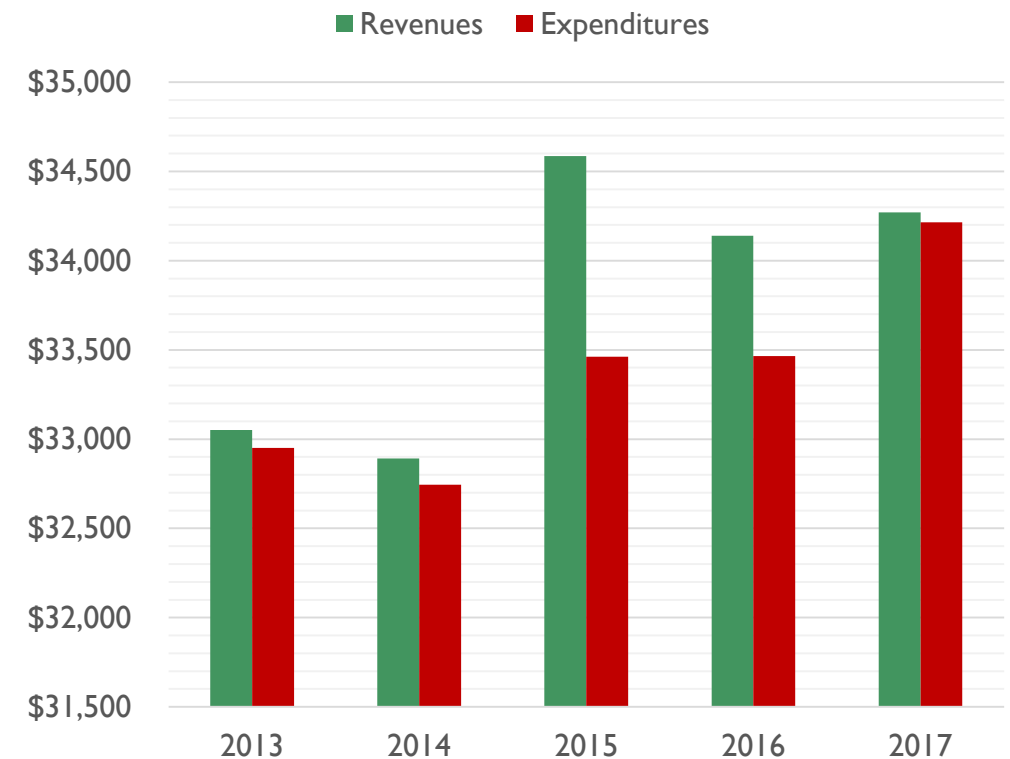
GENERAL FUND OPERATING STATEMENT SUMMARY

[GENERAL FUND ONLY]

	2013	2014	2015	2016	2017
RE Tax	11,721	11,803	11,773	12,445	12,502
Act 511	14,441	13,551	14,655	13,870	14,190
All Other	6,889	7,537	8,158	7,824	7,578
Total Revenue	33,051	32,891	34,586	34,139	34,270
Wages	(9,999)	(11,143)	(11,200)	(11,425)	(11,891)
PR Liab & Benefits	(12,538)	(10,186)	(10,698)	(10,880)	(11,260)
Cap Ex	(866)	(1,019)	(1,139)	(1,235)	(1,239)
Debt Service	(3,052)	(2,677)	(2,927)	(2,973)	(2,991)
All Other	(6,403)	(7,504)	(7,408)	(6,913)	(6,764)
Transfers Out	(93)	(216)	(90)	(40)	(33)
Total Expenses	(32,951)	(32,745)	(33,462)	(33,466)	(34,178)
Net Revenue	\$100	\$146	\$1,124	\$673	\$92

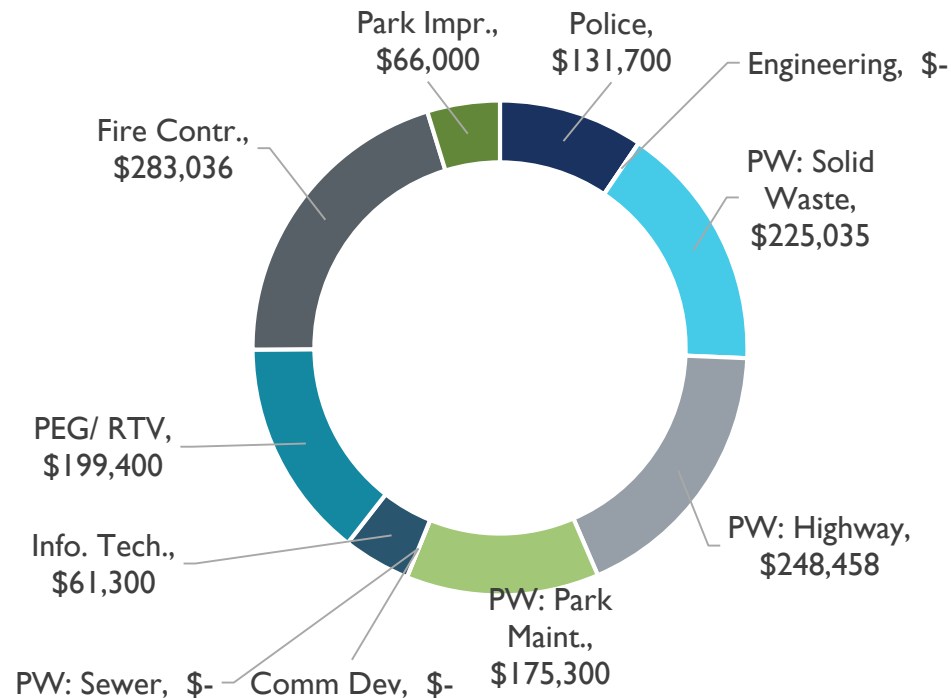
Amounts in \$1,000's

Revenue and Expenditure Totals



CAPITAL PLAN SUMMARY

Pay-As-You-Go Group | 2017



■ Pay-As-You-Go Group:

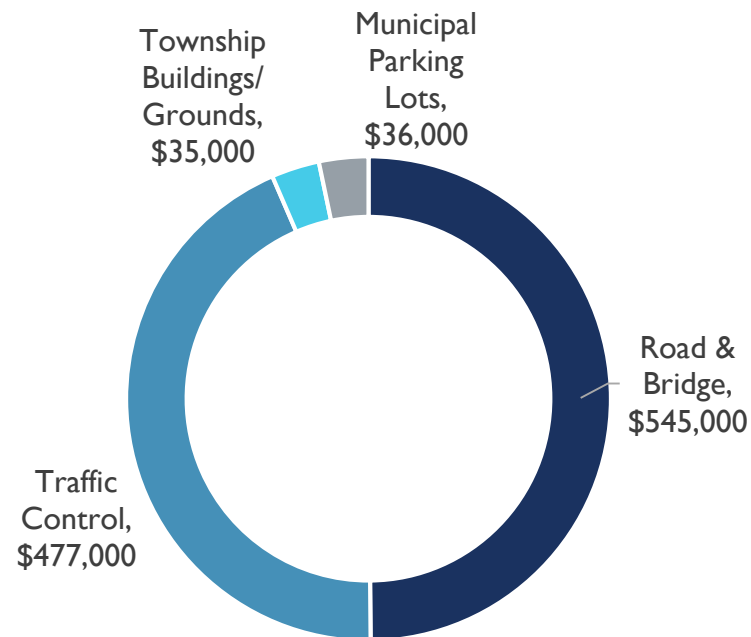
- Funded through current year revenues or short-term capital leasing
- General fund transfers are set up to move the cash into the Capital Fund to fund these purchases
- Includes fleet, department equipment and other small equipment items
- Capital Plan transfers needed from 2017 through 2022:

2017	2018	2019	2020	2021	2022
\$1,390	\$1,687	\$1,633	\$1,967	\$1,465	\$1,353

Amounts in \$1,000's

CAPITAL PLAN SUMMARY (CONT'D)

Pay-As-You-Use Group | 2017



■ Pay-As-You-Use Group:

- Recommendation is that this group be funded through small, regular issuances of debt (bond, banks loans, or other)
- Frequency is “as needed” but would be anticipated to be every 3 to 4 years
- Sources should be offset with Grants and developer contributions where available and appropriate.
- Amounts are estimated to be \$3.5 Million each issuance as summarized in the table below:

	2017	2018	2019	2020	2021	2022
Sources	\$3,500	\$ -	\$ -	\$3,500	\$ -	\$ -
Uses	(1,093)	(881)	(1,335)	(722)	(405)	(606)
Bal	2,407	1,526	191	2,969	2,564	1,958
Debt Svc	(223)	(219)	(221)	(439)	(437)	(435)

Amounts in \$1,000's

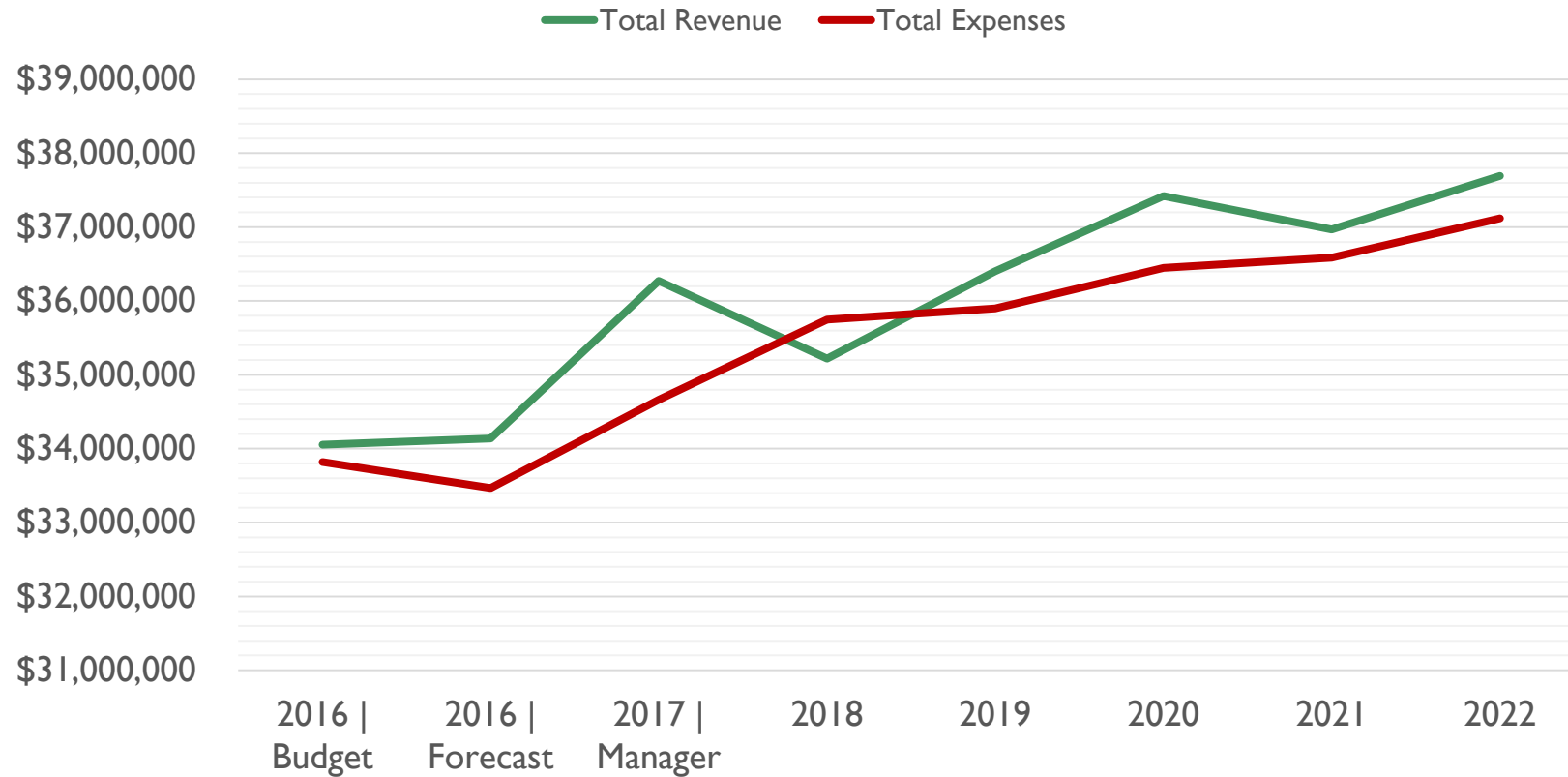
CAPITAL PLAN SUMMARY (CONT'D)

- **2017 Pay-As-You-Use Capital Group Projects:**
 - Sanitary Sewer Fund | Emerg. Pipe Replacements \$20,000
 - Liquid Fuels Fund | Road Resurfacing Program \$808,442
 - Stormwater Fund | Will come from SWMAC later in October
 - General Capital Fund:
 - Road and Bridge Group:
 - Bridge Repairs (as needed from inspections) \$45,000
 - Street Light Fixture Replacement Program \$100,000
 - Street Light Pole Replacement Program \$45,000
 - Radnor Chester / King of Prussia Wall Improvements \$55,000
 - I476 Interchange: Carin Structure Improvements \$150,000
 - Commissioner Contingency Projects \$150,000
- General Fund (Cont'd):
 - Municipal Buildings Group:
 - Public Works Facility \$35,000
 - Municipal Parking Lots Group:
 - West Ave Store Front Lots \$36,000
 - Signals/ Traffic Lighting Group:
 - Conestoga Rd Tunnel Lighting \$200,000
 - Conestoga Rd/ Sproul Rd Intersection Left Turn \$300,000
 - Park Improvements (non-bondable):
 - Dittmar Park fencing / path repairs \$20,000
 - Odorisio Park waterline access \$10,000
 - Petrie Park sign replacement \$10,000
 - Skunk Hollow wayfaring signage \$36,000

FORECAST SUMMARY

[GENERAL FUND ONLY]

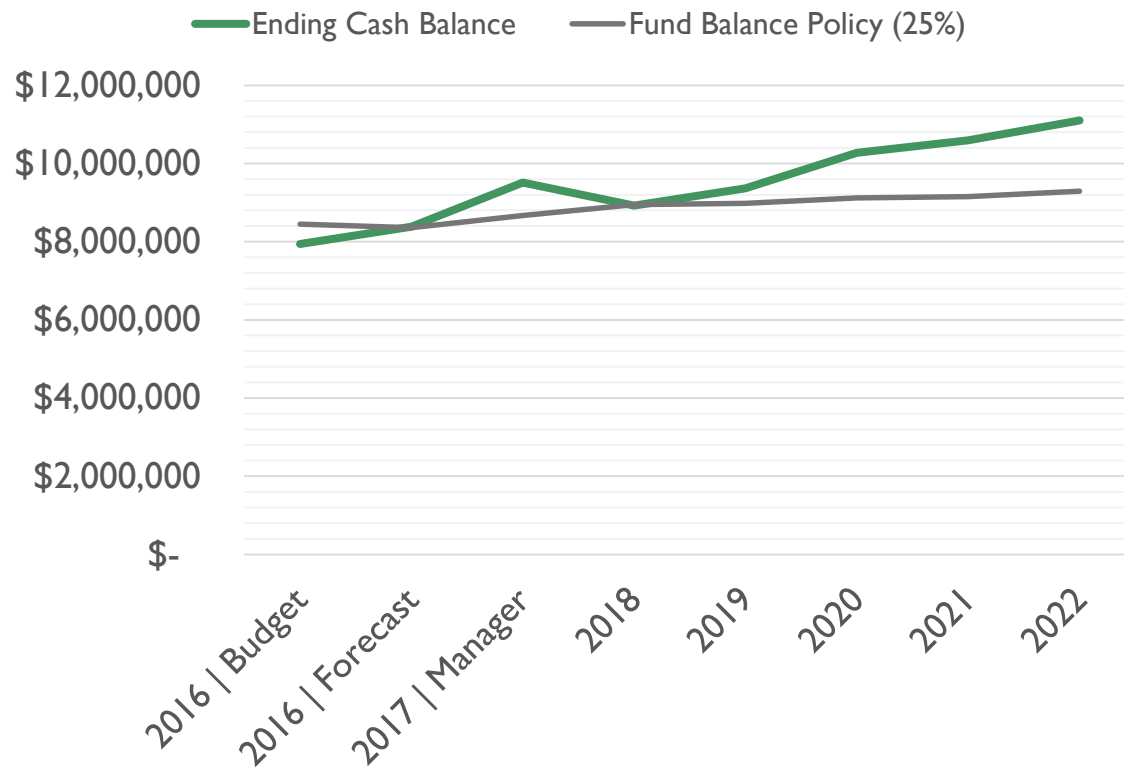
Forecast Revenue vs Expenses



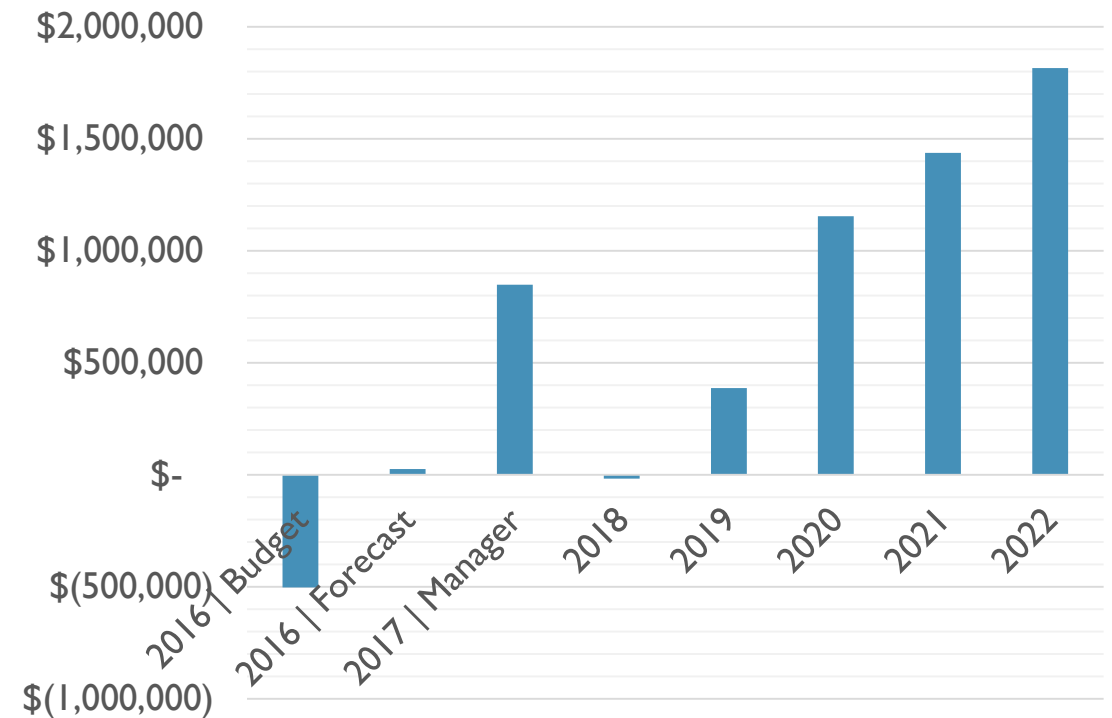
FORECAST SUMMARY (CONT'D)

[GENERAL FUND ONLY]

Forecast Fund Balance vs Policy



Forecast Annual Fund Balance Excess / (Shortfall)



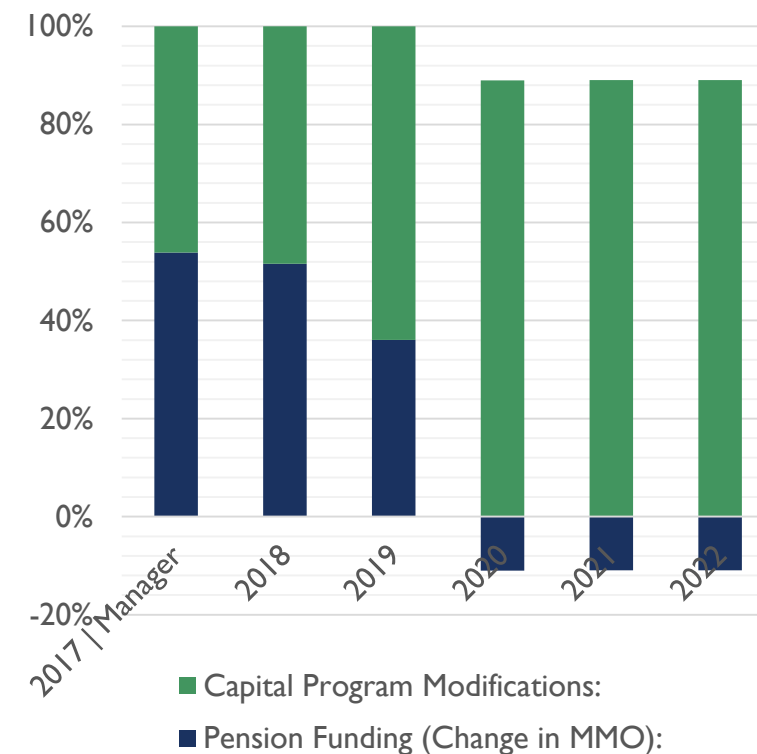
FORECAST SUMMARY (CONT'D)

[GENERAL FUND ONLY]

	2017	2018	2019	2020	2021	2022
Revenue Modifications						
VU Dorm Insp Fees	2,000	375	150	1,000	-	-
Penn Med Dev Insp Fees	-	-	720	181	-	-
Ardrossan Housing Dev	-	123	157	190	223	230
Total Revenue Modifications	2,000	498	1,027	1,371	223	230
Expense Modifications						
Pension Funding:						
Actuarial Losses/(Gains)	-	(27)	(136)	(315)	(314)	(314)
Excess Fund Bal Investment	-	-	-	-	-	-
Int. Rate Assumption Change	260	212	212	116	116	68
Capital Plan:						
Borrowing Cost for PAYU Group	223	219	221	439	437	435
Total Expense Modifications	482	452	345	384	383	381
Net Modification to Base	1,518	46	682	987	(160)	(151)

Amounts in \$1,000's

Forecast Exp Modifications makeup

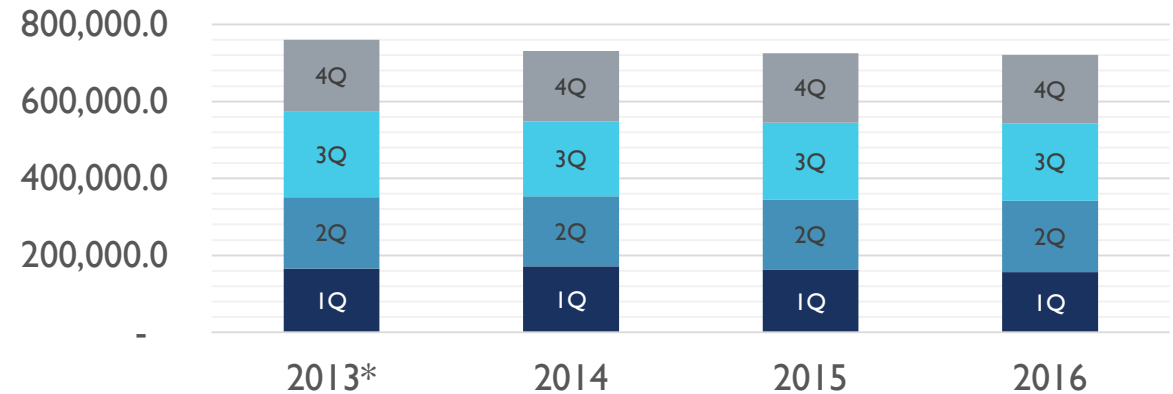


SANITARY SEWER FUND SUMMARY

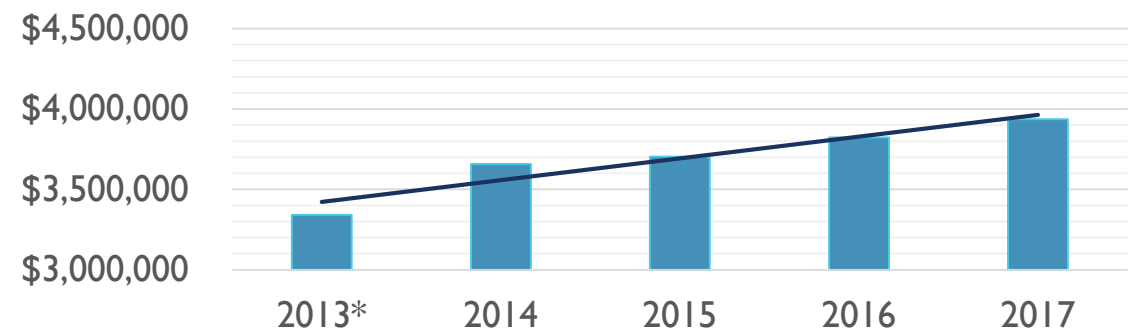
	2013	2014	2015	2016	2017
Revenue	5,063	5,041	4,964	4,881	4,776
Expenses:					
Ops	1,293	1,322	1,350	1,399	1,417
Cap Ex	622	295	127	249	56
RHM	3,341	3,659	3,704	3,822	3,937
Total Exp	5,256	5,276	5,181	5,471	5,410
Net	(193)	(235)	(217)	(590)	(634)
Rent Rate	\$5.74	\$5.90	\$5.90	\$5.90	\$5.90

Amounts in \$1,000's

Water Use Data per Year by Quarter



RHM Payments



PARK & OPEN SPACE FUND SUMMARY

	2015	2016	2017	2018	2019	2020
Beg Bal	161,811	173,060	255,487	(268,281)	(550,659)	(811,112)
Revenue:						
Realty Transfer	957,663	722,076	750,000	772,500	795,675	819,550
Grants / Interest	100,360	1,049	200	200	200	200
Total Rev	1,058,023	723,125	750,200	772,700	795,875	819,750
Expenses:						
Debt Service	(965,814)	(1,245,698)	(1,273,978)	(1,055,078)	(1,056,328)	(1,046,978)
Total Expenses	(965,814)	(1,245,698)	(1,273,978)	(1,055,078)	(1,056,328)	(1,046,978)
Rev Over/(Under) Exp.	92,209	(522,573)	(523,778)	(282,378)	(260,653)	(227,228)
Millage Necessary ¹	n/a	n/a	0.1000	0.1000	0.1000	0.1000

¹ Millage necessary is dependent upon the annual realty transfer tax revenues. If future forecasts overstate the actual revenue, then additional millage would be necessary (and vice versa)

RECAP | MAJOR ASSUMPTIONS

- Manager Recommendation on major assumptions:
 - Real Estate Tax | **No change for operations and capital**
 - Sanitary Sewer Rent | **No change**
 - Stormwater Fee | **No change**
- Direction Needed (in addition to the overall budget review and approval):
 - Community organization funding
 - Voted Open Space Bonds Funding
 - Capital Program (pay-as-you-use) | **CARFAC will be making a recommendation at the next meeting (Oct 24)**
 - Use of excess fund balance(s) | **CARFAC will be making a recommendation at the next meeting (Oct 24)**

NEXT STEPS

- Publish the Township Manager's Recommended Comprehensive Budget | **Wednesday October 12, 2016**
- Adopt the TMRCB as the "Preliminary Budget" | **October 24, 2016**
- Public Hearing #1 | **November 7, 2016**
- Public Hearing #2 | **November 21, 2016**
- Introduction of 2017 Budget Ordinance and Accompanying Resolutions | **November 28, 2016**
- Adoption of the 2017 Budget Ordinance | **December 12, 2016**



THANK YOU

