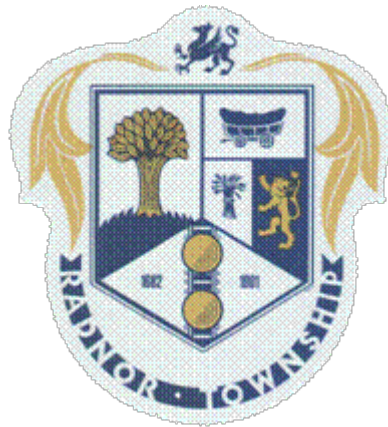


2016 budget



Summary Presentation

October 12, 2015

Presentation goals

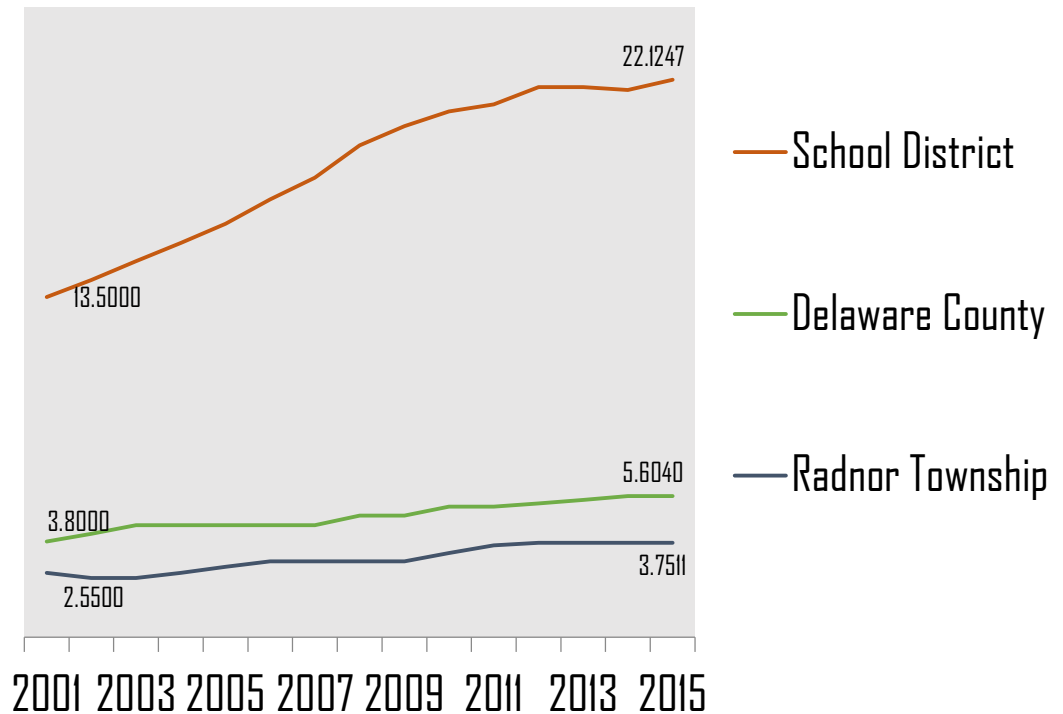
- Major Revenue Assumptions
- Major Expense Assumptions
- 2016 General Fund Summary
- Capital Plan
- Forecast
- Next Steps

Major revenue assumptions

Five Year History

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	TBD	TBD	TBD

Historical Millage Rates

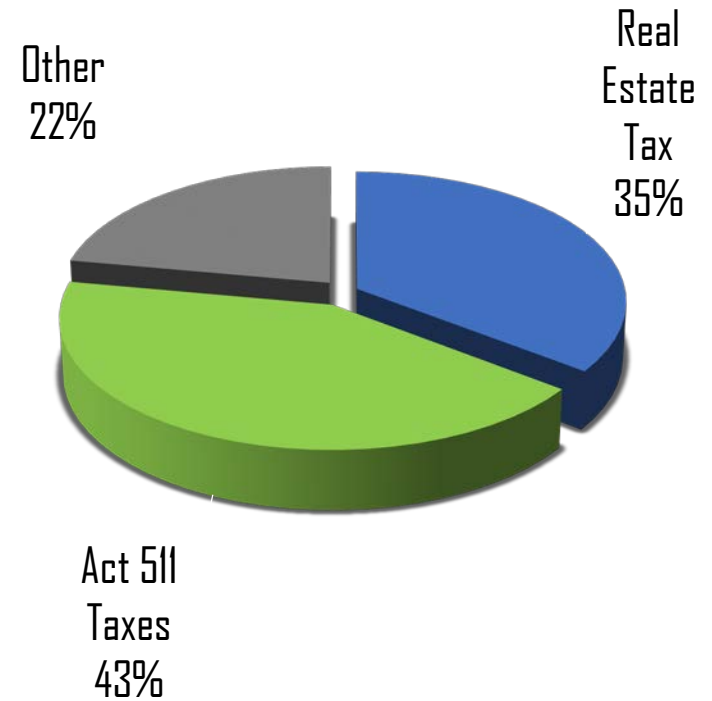
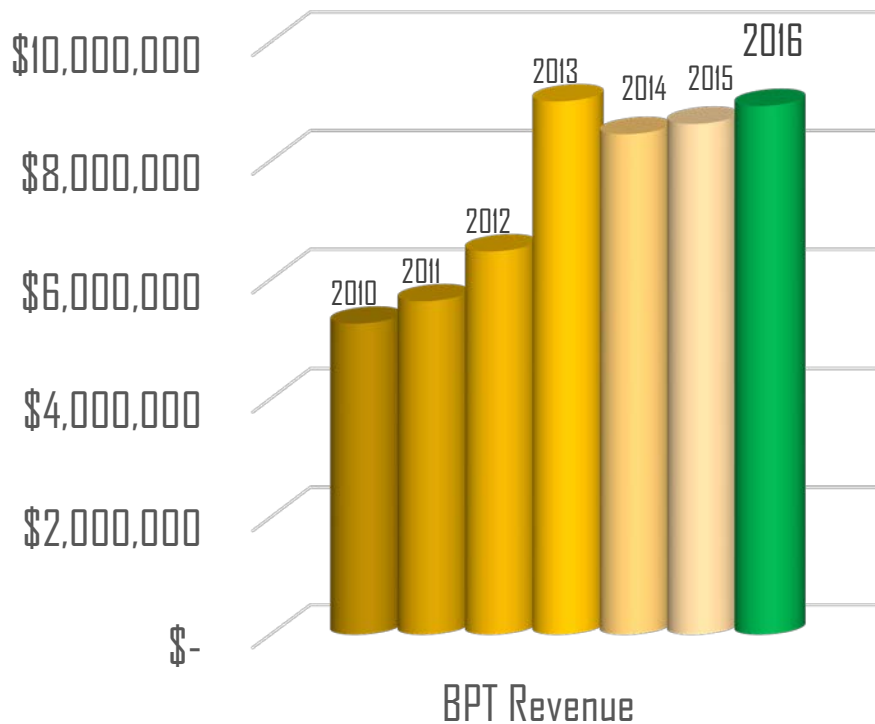


Major revenue assumptions

- General Fund:
 - *No tax increase* needed to fund operations and 2016 portion of capital plan
 - Depending on direction with Bond Financing, taxes may be needed to support borrowing plan
- Sanitary Sewer Fund:
 - No adjustment to the Sanitary Sewer Rent (\$5.90 per 1,000 gallons of water used)
- Stormwater Fund:
 - No adjustment to the Stormwater Fee (\$29.00 per unit)
- Park and Open Space Fund:
 - No tax increase needed to fund the 2016 OS debt service (use fund bal. and reality trans. tax)

Major revenue assumptions

- Regular Growth in the Business Privilege Tax Revenues (+3.5%)



Note: The 2013 revenue included a \$1,500,000 one-time payment from a business settlement

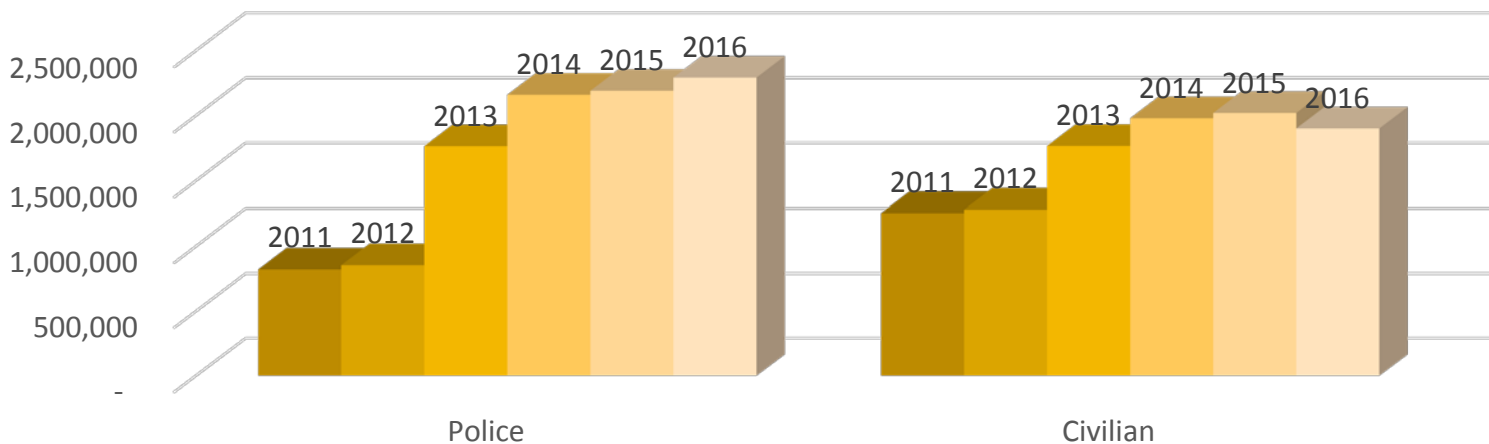
Major expense assumptions

- Staffing Assumptions:
 - All Departments: Based on today's position counts
- Payroll Related Expenses:
 - Wages: Increases of up to 2.75% (Union = +2.75% / Non-Union is up to +2.75%)
 - Healthcare: Increase of 5%, or (+\$128,151)
 - MMD: *Decrease* of 0.4%, or (-\$17,245)
 - OPEB: Adding year three of funding ramp up (+\$200,000) bringing funding to \$600,000
 - OPEB: Continuing to pre-fund police officers hired after 1/1/2013 and fund actuary losses resulting from the two disability retirements in 2015
- Capital Plan:
 - Funding the capital plan through General Fund Transfers (no dedicated taxes)
 - Library, Park and Trail Improvements through a bond issue (tax implications to be determined)

Major expense assumptions

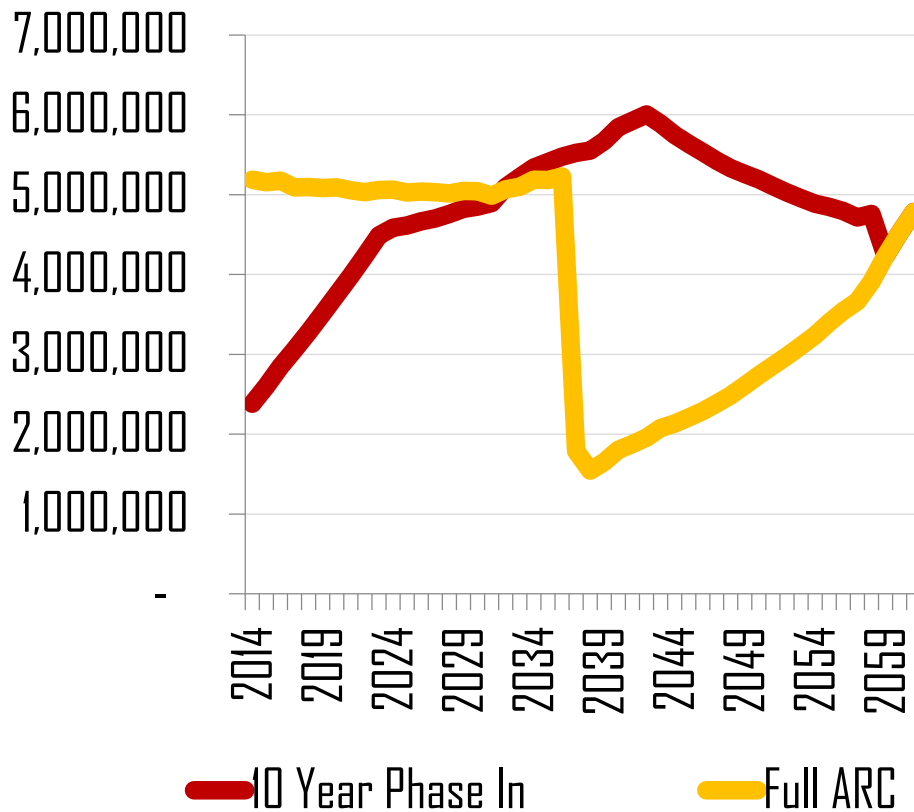
- Pension

Year	Uniform Plan	Civilian Plan	Gross MMO Obligation	Less: State Aid	Net Township Expense
2011	822,301	1,252,960	2,075,261	985,572	1,089,689
2012	855,232	1,280,125	2,135,357	594,234	1,541,123
2013	1,765,384	1,767,162	3,532,546	610,444	2,922,102
2014	2,160,223	1,979,695	4,139,918	628,139	3,511,779
2015	2,190,903	2,020,393	4,211,296	627,334	3,583,962
2016	2,292,539	1,901,512	4,194,051	622,500	3,571,551



Major expense assumptions

- OPEB: 10 Year Ramp-Up Funding Plan



Forecasted Funding Plan:

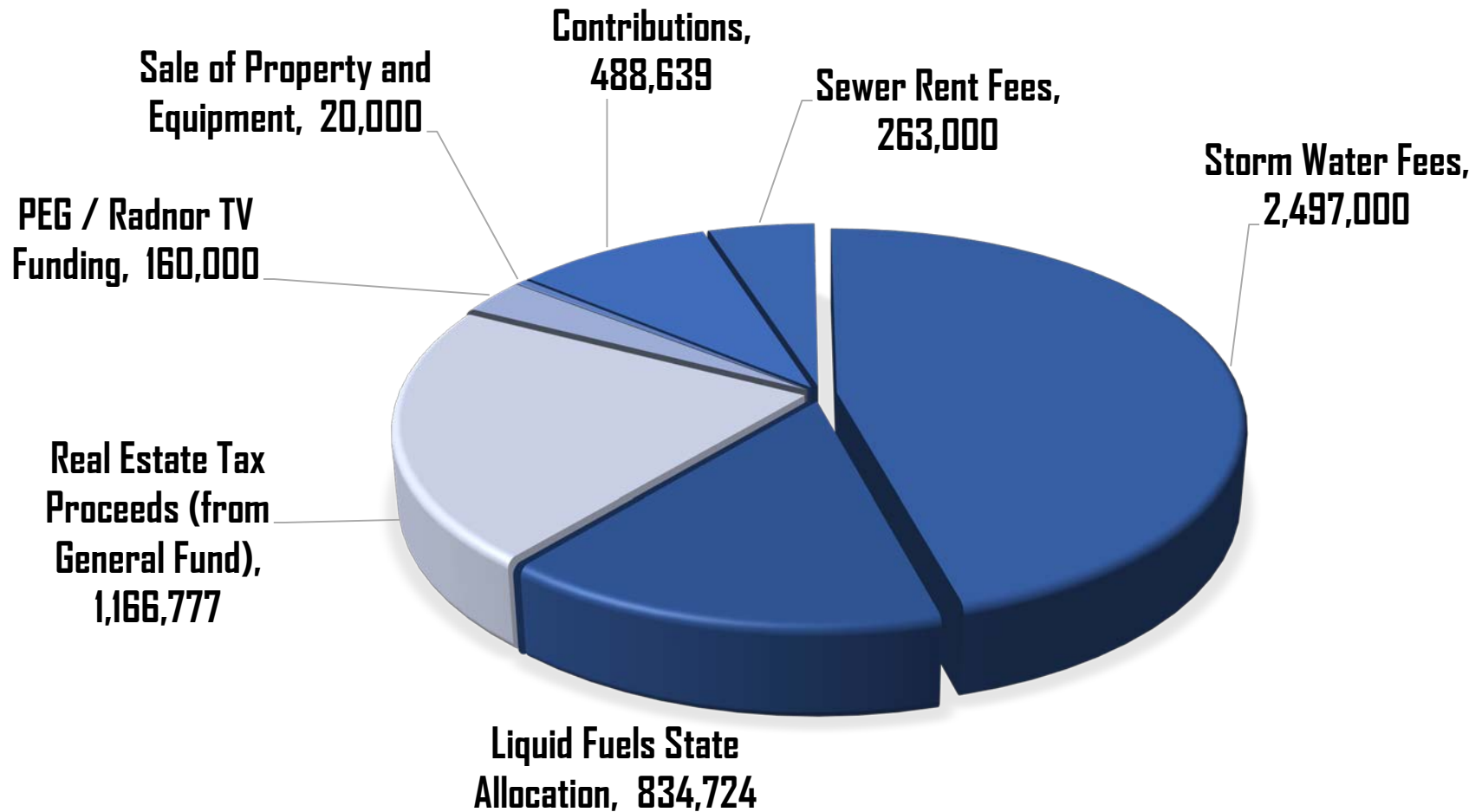
- 2014 \$200,000 (complete)
- 2015 400,000 (complete)
- 2016 600,000
- 2017 800,000
- 2018 1,000,000
- 2019 1,200,000

Additionally: (1) Any new police officer will pre-fund smaller OPEB benefits, (2) Any actuarial changes to plan will be added to funding.

General Fund Summary 2012-2016

(in thousands)	2012	2013	2014	2015	2016
Revenues:					
RE Taxes	\$ 11,677	\$ 11,720	\$ 11,803	\$ 11,801	\$ 11,880
ACT 511 Taxes	11,098	14,440	13,551	14,467	14,274
All Other	6,959	6,891	7,537	8,160	7,438
Total Revenue	\$ 29,734	\$ 33,051	\$ 32,891	\$ 34,428	\$ 33,592
Expenses:					
Salaries and Wages	9,975	9,999	11,143	10,907	11,565
PR Liab / Benefits	7,844	12,569	10,213	10,739	11,471
Capital	1,196	866	1,019	1,099	1,223
Debt	3,061	3,048	2,673	2,937	2,536
All Other	6,433	6,468	7,697	6,853	6,507
Total Expenses	\$ 28,509	\$ 32,950	\$ 32,745	\$ 32,535	\$ 33,302
Net	\$ 1,225	\$ 101	\$ 146	\$ 1,893	\$ 290

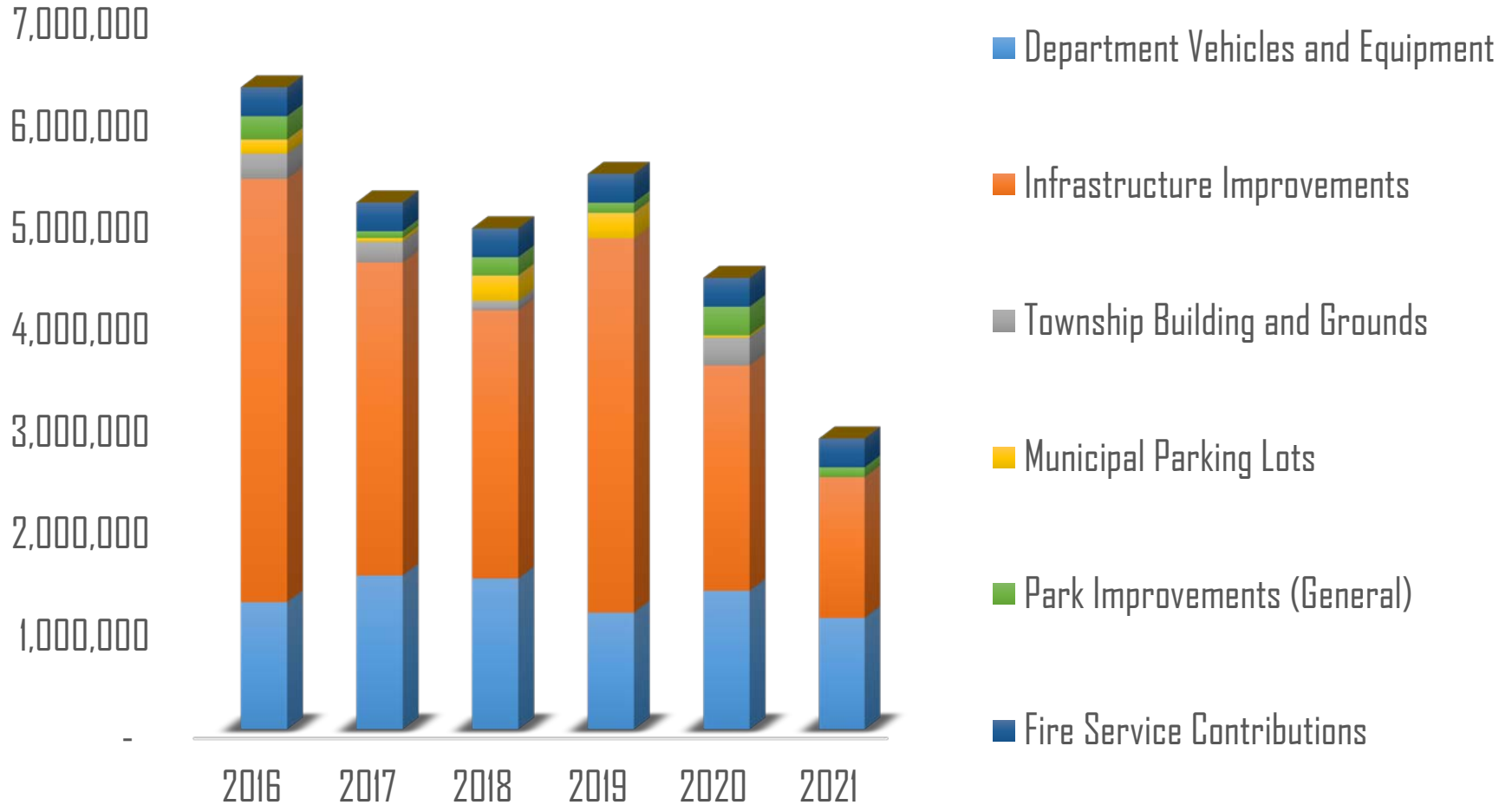
Capital plan: 2016



Assumes:

1. Stormwater capital budget as submitted by the SWMAC
2. Delay in needed sanitary sewer work (to see what impact from DELCORA impacts the fund)
3. Park / Trail / Library improvements are funded via' Bond Financing

Capital plan: 2016-2021



General Fund Forecast 2016-2021: **BASE**

(in thousands)	2016	2017	2018	2019	2020	2021
Revenues:						
RE Taxes	\$ 11,880	\$ 11,951	\$ 12,023	\$ 12,094	\$ 12,166	\$ 12,239
ACT 511 Taxes	14,274	14,257	14,653	14,706	15,264	15,583
All Other	7,438	7,857	8,285	8,757	9,280	9,858
Total Revenue	\$ 33,592	\$ 34,065	\$ 34,961	\$ 35,557	\$ 36,711	\$ 37,679
Expenses:						
Salary / Wages	11,565	11,910	12,270	12,645	13,036	13,445
PR Liab. / Benefits	11,471	11,677	12,105	12,511	12,930	13,371
Capital	1,223	2,391	2,101	2,064	2,360	1,584
Debt	2,536	2,424	2,466	2,468	1,943	1,947
All Other	6,507	6,662	6,792	6,930	7,067	7,213
Total Expenses	\$ 33,302	\$ 35,065	\$ 35,734	\$ 36,617	\$ 37,336	\$ 37,560
Net	\$ 290	\$ (1,000)	\$ (773)	\$ (1,060)	\$ (627)	\$ 120

FORECAST MODIFICATIONS

(in thousands)	2016	2017	2018	2019	2020	2021
Revenue:						
Real Estate Tax Adjustment*	549	549	549	549	549	549
VU Development	2,400	375	150	1,000	-	-
PennMed Development	-	720	180	-	-	-
Ardrossan Development	123	157	190	223	288	296
Total Revenue Modifications	\$3,072	\$1,801	\$1,069	\$1,772	\$837	\$845
Expenditures:						
OPEB Funding Plan (implemented)	659	859	1,059	1,259	1,459	1,659
Pension MMO Changes (mandated)	-	435	435	(99)	(208)	(317)
Comp Plan Update	50	-	-	-	-	-
Zoning Ordinance Rewrite	-	100	-	-	-	-
Police Accreditation	45	-	-	-	-	-
Police K9 Budget	21	21	22	22	23	24
Police Emergency Mgmt. Funds	10	10	11	11	11	12
Bond Financing Modifications*	545	545	545	545	545	545
Total Expenditure Modifications	\$1,299	\$1,939	\$2,039	\$1,704	\$1,796	\$1,887

General Fund Forecast 2016-2021: **Modified**

(in thousands)	2016	2017	2018	2019	2020	2021
Revenues:						
RE Taxes	\$ 12,553	\$ 12,657	\$ 12,762	\$ 12,867	\$ 13,003	\$ 13,084
ACT 511 Taxes	14,274	14,257	14,653	14,706	15,264	15,583
All Other	9,837	8,952	8,615	9,757	9,280	9,858
Total Revenue	\$ 36,664	\$ 35,866	\$ 36,030	\$ 37,329	\$ 37,547	\$ 38,524
Expenses:						
Salary / Wages	11,565	11,910	12,270	12,645	13,036	13,445
PR Liab. / Benefits	11,471	12,113	12,540	12,411	12,722	13,054
Capital	1,223	2,391	2,101	2,064	2,360	1,584
Debt	3,080	2,969	3,011	3,012	2,488	2,491
All Other	6,602	6,762	6,792	6,930	7,067	7,213
Total Expenses	\$ 33,941	\$ 36,145	\$ 36,714	\$ 37,062	\$ 37,673	\$ 37,787
Net	\$ 2,723	\$ (279)	\$ (684)	\$ 267	\$ (126)	\$ 737

General Fund Forecast 2016-2021: **Fund Balance**

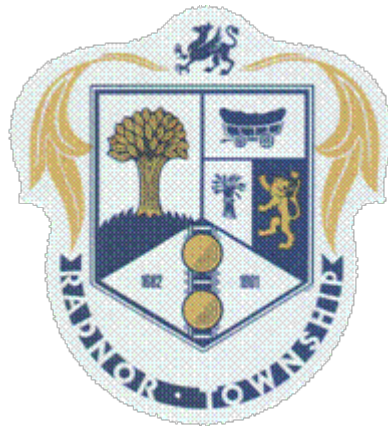
(in thousands)	2016	2017	2018	2019	2020	2021
Target 15% Policy						
Ending Balance	\$ 12,592	\$ 12,313	\$ 11,629	\$ 11,896	\$ 11,770	\$ 12,508
Policy Amount	5,087	5,418	5,503	5,556	5,647	5,664
Difference	7,505	6,895	6,126	6,340	6,123	6,843
Fund Stabilization 25% Policy						
Policy Amount	8,479	9,030	9,172	9,259	9,412	9,441
Difference	4,113	3,283	2,457	2,637	2,358	3,067

BUDGET / FORECAST DECISIONS

- **Board Direction on Following Items:**
 - Capital Funding Plan to be decided:
 - Discussion on Park / Trails / Library Improvements and Funding
 - Tax adjustments?
 - Modified Forecast Layers to be decided:
 - Ongoing Discussion on OPEB Funding Plan / Pension Funding
 - Comprehensive Planning Update
 - Zoning Ordinance re-write (2017)
 - Police Accreditation Expense
 - Police K9 Unit
 - Police Emergency Management Funding
 - Use of Excess Fund Balances (to the extent that they actually occur in the future years)

2016 budget

Thank you



Public Hearing #1 – October 26, 2015

Public Hearing #2 – November 9, 2015

Public Hearing #3 – November 16, 2015

Introduction of Budget Ordinances – November 23, 2015