

Revenue Analysis (excluding the Community Center)

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
REVENUES:								
TAXES	12,031,593	11,041,838	11,193,498	12,181,714	11,227,918	12,599,149	417,435	3%
LICENSES AND PERMITS	758,700	796,911	747,833	768,700	627,802	766,700	(2,000)	0%
FINES, FORFEITS AND PENALTIES	100,000	64,994	44,792	100,000	51,657	90,000	(10,000)	-10%
REVENUE FOR INTEREST, RENTALS AND ROYALTIES	62,600	50,587	40,761	63,800	41,002	59,800	(4,000)	-6%
OTHER AGENCIES	879,000	895,820	840,213	965,000	893,457	990,000	25,000	3%
CHARGES FOR CURRENT SERVICES	96,100	111,174	125,269	116,100	113,300	136,100	20,000	17%
NON-REVENUE RECEIPTS	1,231,627	1,543,356	1,009,836	1,374,747	929,671	1,392,573	17,826	1%
TOTAL	15,159,620	14,504,680	14,002,202	15,570,061	13,884,807	16,034,322	446,435	3%

Taxes:

Real Estate Tax

- The 2018 Budget proposes maintaining the General Real Estate Tax of 7.09 mills. This levy equates to an average annual tax of \$647 for the average taxpayer.

Earned Income Tax

- Bethlehem Township Earned Income Tax rate is one half of 1%. The interesting exception to this tax is if a person working in this township lives in a municipality without an EIT, Bethlehem Township collects the full 1% of the tax. This revenue source is expected to generate \$4,175,000 in 2018. According to the 2010 Census, there are 8,777 households in the township with a median annual household income in Bethlehem Township is \$82,209. This translates into an average annual earned income tax payment per household of approximately \$415.

Real Estate Transfer Tax

- The Real Estate Transfer Tax is levied at one half of 1% of the value of all real estate that is transferred within Bethlehem Township. The BASD receives the other .5% of this transfer tax. Revenue is budgeted for 2018 at \$725,000.

Local Services Tax (Formerly the Emergency and Municipal Services Tax)

- Anticipated revenue in 2018 is estimated at \$625,000. This \$52 annual tax is levied on all individuals that work within a municipality for the purpose of supporting police, fire, emergency services, road construction and/or maintenance in accord with the Local Tax Enabling Act. The Township provides for an exemption for those persons who make less than \$12,000 per year. BASD receives \$5 from each person taxed by the LST.

Business Privilege/ Mercantile Tax

- The Business Privilege Tax is a \$10 License Fee collected annually for those businesses operating within the township, including home-based businesses, accounting for \$975,000 of the 2018 revenues.

The Mercantile Tax serves as a Gross Receipts Tax with a shared millage rate between the school district and the township. Each entity receives .75 mills for retail and 0.75 mills for wholesale. Since 1988, Bethlehem Township has been grandfathered into the Mercantile Tax along with 60% of the first class townships in our region. Per state legislation, no new municipalities are permitted to enact such a tax.

Licenses & Permits:

- This is mainly cable franchise fees and construction permits. There are no major changes anticipated in this line.

Fines, Forfeitures & Penalties” are code enforcement and vehicle code violations.

- This includes vehicle and ordinance fines. We are projecting a slight decrease in vehicle code violations based on historical data and forecasting assumptions.

Interest, Rentals & Royalties

- Primarily these receipts are from the DUI Center at the Coolidge Building and the cell tower rentals. No major changes.

Other Agencies:

- This line item has been increased by \$25,000 based on our forecasting assumptions for fire relief funds, pension state aid, and grant funds.

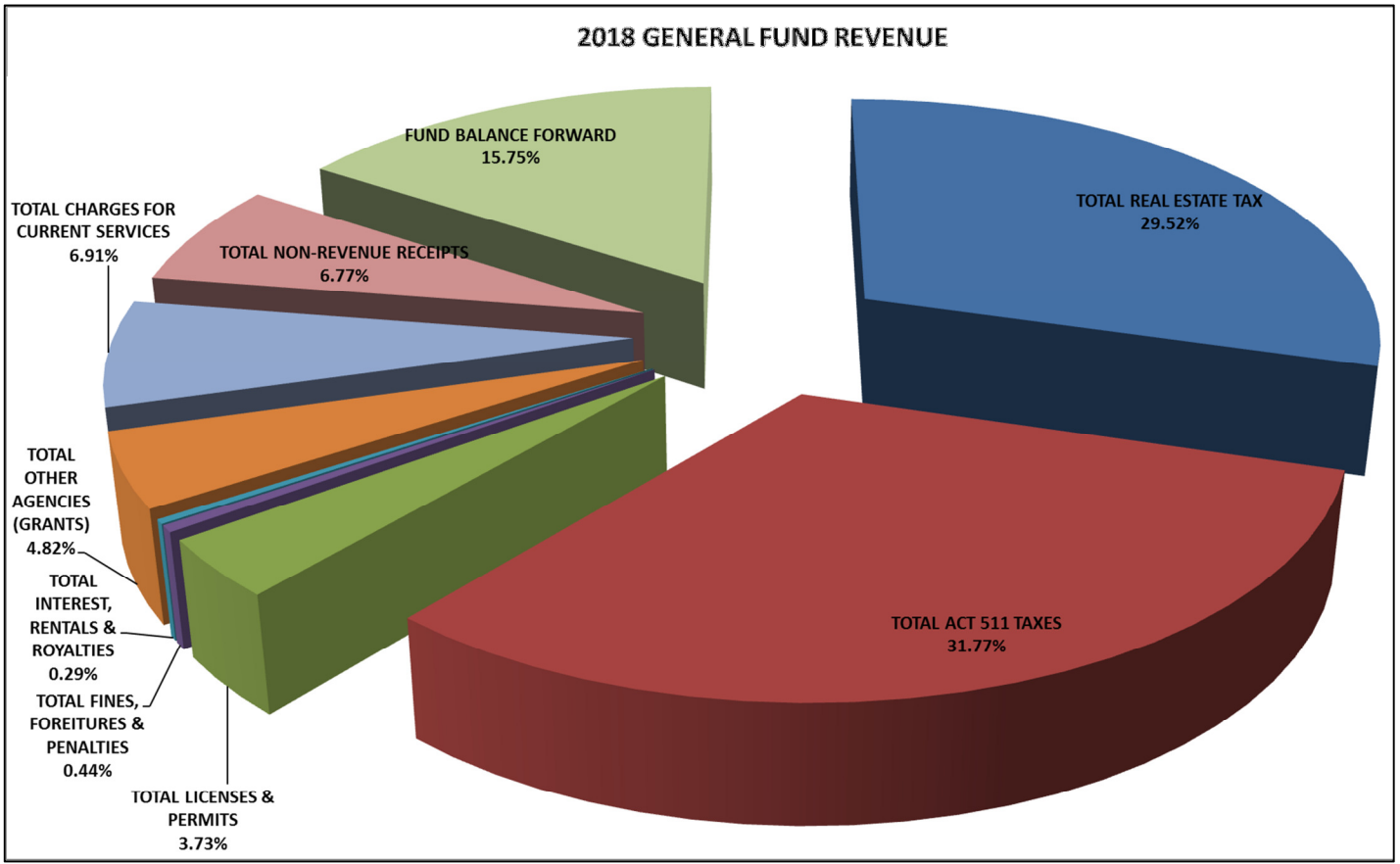
Charges for Current Services:

- The majority of these charges are for the Community Center, which is highlighted on a separate page. The \$136,100 non-Community Center revenues budgeted for next year includes a variety of fees collected. We are budgeting modest increases based on historical data and forecasting assumptions.

Non-Revenue Receipts:

- This line includes items that the Township sells (maps, photocopies, and auctioned equipment) as well as reimbursable engineering costs. This line has increased slightly based on our forecasting assumptions.

This chart looks at the TOTAL General Fund Revenue INCLUDING the Community Center:



The largest two revenue sources in the General Fund are the Act 511 Taxes (Real Estate Transfer, Earned Income, Business Mercantile Tax and Local Service Tax) at 31.77% and Real Estate Taxes at 29.52%. Fund Balance Forward is the third largest, making up 15.75% of the Township's Annual Revenue.

General Government Expenditures

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
EXPENDITURES:								
PERSONNEL	721,950	791,664	629,342	755,699	641,223	762,612	6,913	1%
OPERATIONAL	2,207,434	2,122,169	1,668,981	2,261,889	1,571,093	2,358,135	96,246	4%
DEBT SERVICE								
TOTAL	2,929,384	2,913,833	2,298,323	3,017,588	2,212,316	3,120,747	103,159	3%

“General Government” includes Legislative, Administrative, Finance, Insurance, Physical Plant, Library, Legal, and Capital Reserve Contribution. Personnel and Operational Expenses are condensed above. Major changes are highlighted below.

Legislative:

- A \$10,000 increase to the full allocation for Freemansburg Bethlehem Township Athletic Association (FBTAA) due to the lighting repayment plan being completed in 2017.

Administrative:

- A 2% administrative wage increase proposed, 50% of which comes out of the general fund and 50% of which comes out of the sewer fund.
- Health insurance rates are increasing by a conservative 4% next year. There is an additional continuing savings through the Township’s negotiated health insurance employee opt-out benefit.

Finance:

- A \$10,000 projected increase in auditing services. The Township has been using a single proprietor auditing firm but is looking to switch to a larger firm that will better serve our needs.

Insurance:

- Vehicle insurance and workman’s compensation insurance rose by \$45,000 from last year. This is due to rising market rates and the township experience modification, respectively. The Township has instituted an Official Safety Committee which will save money on workman’s compensation in the future.

Physical Plant:

- The fabric duct work in the Bethlehem Township Community Center (BTCC) and the Municipal Building should be cleaned every three years. That cleaning is overdue and is scheduled for next year at a cost of \$32,000.
- Cleaning costs are anticipated to increase by \$30,000 next year. This estimate is based on quotes we received for the cleaning of the BTCC. Because the Center requires extensive cleaning on an ongoing basis, the annual cost is going to be higher than the state bidding threshold. When you bid out services costs naturally increase because of bonding requirements.
- The telephone line is increasing by \$10,000 due to increasing costs over the last year and anticipated for next year. Police in-car laptops and air cards are included in this line.
- We anticipate a savings of \$15,000 in utilities at the BTCC due to energy efficient facility upgrades.

Capital Reserve Contribution:

- There is a projected transfer of \$392,050 more to Capital in 2018 than in 2017. This is due to the unknown status of the Gaming Authority Grants. We are proposing purchasing two police cars, one ambulance, and one Fire Marshal vehicle, items for which we would have normally received funding from the Gaming Authority.

Cultural and Recreation Revenue and Expenditures

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
REVENUES:								
COMMUNITY CENTER	1,293,000	1,258,889	1,054,631	1,232,000	978,151	1,284,000	52,000	4%
TOTAL	1,293,000	1,258,889	1,054,631	1,232,000	978,151	1,284,000	52,000	4%

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
EXPENDITURES:								
PERSONNEL	1,051,866	1,037,043	852,881	981,121	821,030	1,081,608	100,487	10%
OPERATIONAL	205,700	173,668	148,969	180,000	159,167	239,850	59,850	33%
DEBT SERVICE								
TOTAL	1,257,566	1,210,711	1,001,850	1,161,121	980,197	1,321,458	160,337	14%

“Cultural and Recreational” is the Community Center and all recreational programs organized by the Community Center. Personnel and Operational Revenues and Expenses are condensed above. Major changes are highlighted below.

- Salary increases are budgeted at 2%.
- Bank charges have been increased based on historical data.
- There is a new line for the Bethlehem Township Community Days of \$45,000. There is a revenue line offsetting this amount by \$20,000, however, staff has consulted with other communities that run these types of Community Days and they usually break-even/make money on the event. This budget reflects a conservative approach to a new event.
- There is an increase in \$10,000 to fringe benefits based on increasing costs.

Public Safety, Planning & Economic Development Expenditures

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
EXPENDITURES:								
PERSONNEL	5,776,894	5,669,570	4,571,394	5,910,004	4,768,306	6,130,388	220,384	4%
OPERATIONAL	2,394,001	2,172,423	1,530,470	2,391,754	1,277,593	2,350,750	(41,004)	-2%
DEBT SERVICE								
TOTAL	8,170,895	7,841,993	6,101,864	8,301,758	6,045,899	8,481,138	179,380	2%

“Public Safety” includes Police Protection, Construction & Zoning Enforcement, Fire Departments, Emergency Management, and Fire Relief. The Planning & Economic Development Fund has been included with this category. Personnel and Operational Expenses are condensed above. Major changes are highlighted below.

Police Protection:

- Police negotiations are still underway, but for budgeting purposes the salary increases is set at 2%.
- The Civil Service expenditure has been reduced from \$20,000 to \$5,000 since we are in the middle of conducting civil service examinations this year.
- Vehicle service has been adjusted from \$30,000 to \$20,000 after a review of historical trends.
- Police minor equipment purchases include 26 new Tasers on a 5-year payment plan, an electronic child fingerprinting kit, Knox access keys, an additional body worn camera, first aid supplies, two force entry tool, two portable radar speed signs, gas mask filters, and three replacement radios.
- The Township self-funds health insurance through a municipal pool administered by Benecon. Health insurance costs are increasing by \$30,000 for police officers next year.
- Social security costs are increasing by \$10,000.

Construction & Zoning Enforcement:

- Wage increases are proposed at 2%.
- The Zoning Officer Salary has been moved to the Planning Department Budget.

Nancy Run Fire Department:

- There is a reduction in the vehicle insurance for 2018 due to cost savings identified between the Township and the Fire Company.

Planning & Economic Development:

- The Township hired a part time clerk to assist with front desk coverage in the Planning Department, Police Department, and at the Information Desk. That salary is being split between the Police and Planning Departments.
- The Township will have a vacancy in the Zoning Officer position due to a retirement, and are currently looking at cost effective ways to fill that position.

Public Works Expenditures

	2016 BUDGET	2016 YEAR END	SEPT 2016 YTD	2017 BUDGET	SEPT 2017 YTD	2018 BUDGET	INC/(DEC) 2017 VS 2018 BUDGET	% CHANGE
EXPENDITURES:								
PERSONNEL	2,172,961	2,068,361	1,691,357	2,158,811	1,760,621	2,224,325	65,514	3%
OPERATIONAL	628,250	439,004	323,330	519,200	313,649	509,250	(9,950)	-2%
DEBT SERVICE								
TOTAL	2,801,211	2,507,365	2,014,687	2,678,011	2,074,270	2,733,575	55,564	2%

“Public Works” includes street construction, street maintenance, snow and ice control, street signs and markings, storm sewer construction, storm sewer maintenance, street cleaning, weed control, general public works, recycling, and park facilities expenses. Expenses are condensed above. Major changes are highlighted below.

Street Construction:

- Speed Bumps on Wilson Avenue for D&L Trailhead Parking areas.
- The Township will be utilizing 2018 Liquid Fuels funding to finance the Brodhead Road reconstruction project.

Street Maintenance:

- Minor Equipment includes a new tire spin balance machine. This \$10,000 cost will be split with the police department.

Snow and Ice Control:

- No minor equipment is budgeted for next year.

Storm Sewer Maintenance:

- There is a proposed increase in the detention pond line as the Township has to address continually aging infrastructure.
- Note regarding the MS4 requirements, the Township’s MS4 Individual Permit Application is due to the DEP by May 4, 2017 and the Pollution Reduction Plan is due by March 17, 2017. There is \$147,000 scattered throughout the General Fund and Capital Budget for 2017 and proposed for 2018. Staff is currently working with the stormwater consultants to firm up budgetary numbers for next year and consolidate the various lines into one General Fund and one Capital line.

Street Cleaning:

- Increase in landfill charges due to changes with DEP requirements and disposal rates for street sweepings.

General Public Works:

- Wage rates of 1 – 2% have been built into this model.
- Increases of health insurance and pension benefits account for the \$35,000 increase in fringe benefits.

Park Facilities:

- The Housenick Maintenance line was reduced based on historical data.