TREDYFFRIN TOWNSHIP

2019 Preliminary Budget Presentation
2019 PRELIMINARY BUDGET PRESENTATION

• 2019 Preliminary Budget
• Beyond 2019
• Next Steps
• Departmental Presentations
MANAGER’S REVIEW

• Delivering excellent services
• Continued economic strength in the region
• Proactive planning
• Focus on infrastructure
EMPLOYEE HEAD COUNT

HEAD COUNT

110 103 97 98 104 102 102 102 102 103 107

2019 PRELIMINARY BUDGET MESSAGE

• Proposed 3.6% Tax increase
  • Would be first tax increase since 2013
• Increased budgeted use of reserves
  • Fully utilize 7.5% of 2019 operative expenses as allowed in Fund Balance Policy.
GENERAL FUND REVENUES

• 2019 vs. 2018
  • 3.6% Tax Increase
    • Represents additional $306k in revenue
  • Over $100k increase in revenue due to increased assessment
  • Increased use of reserves by $619,220 to a total of $1,620,350
  • $175k increase in Real Estate Transfer Taxes
  • $55k increase in Local Services Tax
  • Held building permit revenue flat at $1.9M
## GENERAL FUND OPERATING REVENUE (IN MILLIONS)

<table>
<thead>
<tr>
<th>Source</th>
<th>2018 Forecast</th>
<th>2019 Budget</th>
<th>Diff vs. 2018 Forecast</th>
<th>% ‘19 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>R/E Taxes</td>
<td>$8.57</td>
<td>$8.91</td>
<td>$0.34</td>
<td>41.25%</td>
</tr>
<tr>
<td>Transfer Taxes</td>
<td>$4.00</td>
<td>$3.75</td>
<td>$(0.25)</td>
<td>17.36%</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$1.92</td>
<td>$1.90</td>
<td>$(0.02)</td>
<td>8.80%</td>
</tr>
<tr>
<td>Licenses / Permits</td>
<td>$3.27</td>
<td>$3.18</td>
<td>$(0.09)</td>
<td>14.72%</td>
</tr>
<tr>
<td>Grants</td>
<td>$1.26</td>
<td>$1.28</td>
<td>$0.02</td>
<td>5.93%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$1.28</td>
<td>$0.96</td>
<td>$(0.32)</td>
<td>4.44%</td>
</tr>
<tr>
<td>Reserves</td>
<td>$0.04</td>
<td>$1.62</td>
<td>$1.58</td>
<td>7.50%</td>
</tr>
<tr>
<td>Total</td>
<td>$20.34</td>
<td>$21.60</td>
<td>$1.26</td>
<td>100%</td>
</tr>
</tbody>
</table>
## HISTORICAL RE TAX ASSESSMENT

<table>
<thead>
<tr>
<th>Year (As of Jan 1)</th>
<th>Assessed Valuation</th>
<th>% Inc / (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,529,201,584</td>
<td>-0.71%</td>
</tr>
<tr>
<td>2013</td>
<td>3,528,777,730</td>
<td>-0.01%</td>
</tr>
<tr>
<td>2014</td>
<td>3,533,684,180</td>
<td>0.14%</td>
</tr>
<tr>
<td>2015</td>
<td>3,543,782,470</td>
<td>0.29%</td>
</tr>
<tr>
<td>2016</td>
<td>3,557,015,465</td>
<td>0.37%</td>
</tr>
<tr>
<td>2017</td>
<td>3,570,817,205</td>
<td>0.39%</td>
</tr>
<tr>
<td>2018 (Jan 1)</td>
<td>3,612,273,507</td>
<td>1.16%</td>
</tr>
<tr>
<td>2018 (YTD)</td>
<td>3,658,326,877</td>
<td>1.27%</td>
</tr>
</tbody>
</table>
# Average Residential Tax Bill (Estimated for 2019)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Assessment</td>
<td>2,576,533,797</td>
</tr>
<tr>
<td>Millage Rate</td>
<td>2.465</td>
</tr>
<tr>
<td>Number of Parcels</td>
<td>11,345</td>
</tr>
<tr>
<td>Average Tax Bill</td>
<td>559.82</td>
</tr>
</tbody>
</table>
WHERE DO YOUR TAX DOLLARS GO?

School District: 77%
County: 15%
Township: 8%

- Township Millage: 2.465
- School District Millage: 22.981
- County Millage: 4.369
RE TRANSFER TAX HISTORY

- Budget
- Actual / Forecast

<table>
<thead>
<tr>
<th>Date</th>
<th>Budget</th>
<th>Actual / Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2014</td>
<td>2,300,000</td>
<td>3,159,009</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>2,550,000</td>
<td>4,756,997</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>2,650,000</td>
<td>4,657,920</td>
</tr>
<tr>
<td>12/31/2017</td>
<td>2,900,000</td>
<td>4,932,595</td>
</tr>
<tr>
<td>FC 12/31/2018</td>
<td>4,000,000</td>
<td>3,575,000</td>
</tr>
</tbody>
</table>
BUILDING PERMIT REVENUE

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual/Est</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
USE OF RESERVES

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>600,000</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>494,400</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>825,000</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>919,250</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>1,001,130</td>
<td>38,906</td>
</tr>
<tr>
<td>2019</td>
<td>1,620,350</td>
<td>0</td>
</tr>
</tbody>
</table>
Total Township Operating Expenses - $26.97M

- General Fund represents 80% of all operating expenses, this covers the majority of services provided by the Township
- The Sewer Fund covers the Township’s wastewater systems
- No estimated budget for VCTS due to expected sale prior to YE
- Tredyffrin Township Municipal Authority (TTMA) is expected to refund any remaining cash due to no outstanding debt as of 12/31/18
GENERAL FUND OPERATING BUDGET TREND

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>17,384,335</td>
</tr>
<tr>
<td>2015</td>
<td>19,068,990</td>
</tr>
<tr>
<td>2016</td>
<td>18,524,180</td>
</tr>
<tr>
<td>2017</td>
<td>19,264,160</td>
</tr>
<tr>
<td>2018</td>
<td>20,544,330</td>
</tr>
<tr>
<td>2019</td>
<td>21,604,970</td>
</tr>
</tbody>
</table>
GENERAL FUND EXPENSES

• 2019 vs. 2018
  • Overall – 5.16% increase in expenses
  • 5.38% increase in salaries & benefits
    • Contractual obligations (Police (4%), AFSCME (2.5%), MEA(2.5%)
    • 4.52% increase in health insurance premiums
    • $74k increase in total in OPEB funding and pension expenses
  • Increased funding for our libraries and fire companies
  • Two new initiatives
    • MS4 Program
    • Opening of Tredyffrin Library on Wednesdays
## General Fund Operating Expenses (In Millions)

<table>
<thead>
<tr>
<th>Expense</th>
<th>2018 Forecast</th>
<th>2019 Budget</th>
<th>Diff v. 2018 Forecast</th>
<th>% 2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$14.87</td>
<td>$15.77</td>
<td>$0.90</td>
<td>73.01%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1.72</td>
<td>$1.71</td>
<td>$(0.01)</td>
<td>7.92%</td>
</tr>
<tr>
<td>Contributions</td>
<td>$1.14</td>
<td>$1.15</td>
<td>$(0.01)</td>
<td>5.32%</td>
</tr>
<tr>
<td>Professional Svcs</td>
<td>$0.90</td>
<td>$0.87</td>
<td>$(0.03)</td>
<td>4.03%</td>
</tr>
<tr>
<td>Repair &amp; Maint</td>
<td>$0.47</td>
<td>$0.56</td>
<td>$(0.09)</td>
<td>2.59%</td>
</tr>
<tr>
<td>Other</td>
<td>$1.24</td>
<td>$1.54</td>
<td>$(0.30)</td>
<td>7.13%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$20.34</strong></td>
<td><strong>$21.60</strong></td>
<td><strong>$1.26</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
GENERAL FUND SERVICES (IN MILLIONS)

<table>
<thead>
<tr>
<th>Department</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>$10.66</td>
</tr>
<tr>
<td>Fire/Ambulance</td>
<td>$1.22</td>
</tr>
<tr>
<td>Streets</td>
<td>$2.60</td>
</tr>
<tr>
<td>Parks / Recycling</td>
<td>$1.54</td>
</tr>
<tr>
<td>Libraries</td>
<td>$1.33</td>
</tr>
<tr>
<td>Planning &amp; Zoning</td>
<td>$1.19</td>
</tr>
<tr>
<td>Engineering</td>
<td>$0.28</td>
</tr>
<tr>
<td>Admin</td>
<td>$2.78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$21.60</strong></td>
</tr>
</tbody>
</table>
NEW INITIATIVES

• MS4 Program
  • Deferred hiring of new employees (3) until July 1, 2019
  • $129,300 in salaries and benefits

• Opening of Tredyffrin Library on Wednesday
  • Deferred hiring of new employees (1 F/T + additional P/T) until July 1, 2019
  • $82,500 in salaries and benefits
GROSS PENSION EXPENSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Police</th>
<th>Non-Uniform</th>
<th>MMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,038,419</td>
<td>200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,207,070</td>
<td>400,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,224,485</td>
<td>600,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>2018</td>
<td>1,604,771</td>
<td>800,000</td>
<td>1,800,000</td>
</tr>
<tr>
<td>2019</td>
<td>1,652,726</td>
<td>1,000,000</td>
<td>1,600,000</td>
</tr>
</tbody>
</table>
CAPITAL PLAN (2019-2023) OVERVIEW

• Infrastructure
  • $9.3M in bridge work
  • $8.5M for pump station redesigns
  • $5M in paving program
  • $3.5M for MS4 projects
  • $1M in stormwater projects

• Building Improvements
  • $1M in upgrades/updates @ TPL
  • $780k for Admin Bldg. renovation

<table>
<thead>
<tr>
<th>Category</th>
<th>IT</th>
<th>Equipment</th>
<th>Vehicles</th>
<th>Other</th>
<th>Parks &amp; Rec</th>
<th>Building Improvements</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>99,000</td>
<td>1,011,100</td>
<td>2,953,960</td>
<td>50,000</td>
<td>1,355,000</td>
<td>2,927,500</td>
<td>28,910,000</td>
</tr>
</tbody>
</table>
CAPITAL PLAN (2019-2023) FUNDING SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Grants</td>
<td>$0.0M</td>
</tr>
<tr>
<td>PA Grants</td>
<td>$8.1M</td>
</tr>
<tr>
<td>Other Grants</td>
<td>$0.3M</td>
</tr>
<tr>
<td>Reserves</td>
<td>$17.8M</td>
</tr>
<tr>
<td>Sewer</td>
<td>$11.1M</td>
</tr>
<tr>
<td>VCTS</td>
<td>$0.0M</td>
</tr>
<tr>
<td>Total</td>
<td>$37.3M</td>
</tr>
</tbody>
</table>
BEYOND 2019

• Continued need for long-term capital funding
  • Consider debt issuance for infrastructure work

• Continued impact of pension and OPEB liabilities

• Union Contracts
  • Police Contract – tentative 2019-2023 deal in place
  • AFSCME – Contract expires June 30, 2021
  • MEA – Contract expires June 30, 2020
PLANNING AND ZONING
PLANNING AND ZONING DEPARTMENT

• Department staff:
  • Director
  • 2 code officials
  • 2 permit clerks
  • Planning & zoning coordinator
BUILDING PERMIT ACTIVITY

• Year-to-Date as of October 19, 2018
  • 2200+ permits issues
  • $60+ million construction $ spent in Tredyffrin
  • $1.5 million permit revenue generated ($1.9 million budgeted)

• Year-to-Date same period 2017:
  • 2500+ permits issues
  • $100+ million construction $ spent in Tredyffrin
  • $2.5 million permit revenue generated
2018 SIGNIFICANT PROJECTS/MILESTONES

• Chesterbrook – Last of the 123 units under construction.
• Linden Lane – 153 units under construction shortly
• Brightview Assisted Living – under construction, expected to open Spring 2019
• Sage in Atwater - under construction, expected to open Spring 2019
• Wayne Glen – Clearing has begun for the construction of 91 units
• Recently opened Target in Devon!
2019 OUTLOOK

• Building activity should continue to steady with both commercial and residential activity

• Projects
  • Swedesford Plaza
  • Wayne Glen – Residential and Commercial
    • New office building

• Economic Development
  • Comprehensive Plan update will begin late in 2019 and conclude in late 2020 to early 2021
  • Update our General Code Zoning Map with interactive technology
  • Continue our emphasis on being the least expensive place in the region to conduct business
ENGINEERING DEPARTMENT

• Department Staff
  • Township Engineer (Stephen Burgo, P.E.)
  • Assistant to the Township Engineer (Erin McPherson, E.I.T)
  • Administrative Coordinator (Gabrielle Ignarri)
2019 CAPITAL PROJECTS

• Bridges
  • Township Bridge Repair/Rehabilitation Projects
    • Multi-year projects for bridges on Drummers Lane, Glenhardie Road, and Richards Road
    • Howellville Road Bridge
  • PADOT and Chester County Bridge Projects
    • Coordinate with PADOT on planning for bridge repairs to the S.R. 0252 (Bear Hill Road) bridge over Norfolk-Southern
    • Coordinate with PADOT on planning for the new Darby Road bridge over AMTRAK in Paoli,
    • Coordinate with Chester County for the replacement of the Mill Road truss bridge over Valley Creek
2019 CAPITAL PROJECTS

• Sanitary Sewer Pump Station Rehabilitation Projects
  • Station Avenue – 2019 Construction
  • Glenn Avenue – 2019 Design and Permitting
  • Lancaster Avenue – 2019 Design and Permitting

• Stormwater Management
  • Continue planning for MS4 Permit implementation and the Pollution Reduction Plan
  • Meet with residents and business owners with issues concerning local streams, floodplains and stormwater management for future project planning
2019 CAPITAL PROJECTS

• Transportation Projects
  • East Conestoga (ARLE Grant) Project
    • Overheight Warning System for East Conestoga Road at Upper Gulph Road
  • Work with Police/PW Depts. For traffic concerns (Traffic Safety Committee)
  • Coordinate with PADOT – Darby Road Bridge and North Valley Road Improvement Project
  • Coordinate with Chester County – Planning underway for the Warner Spur Trail
  • Coordinate with the 500 Chesterbrook Blvd. Project – Pedestrian Improvements
INFORMATION TECHNOLOGY
MIS DEPARTMENT

Department Staff:

• MIS Director
• Systems Administrator
• TV Studio Manager
2019 PROJECTS

• Replace VOIP System
• Replace existing copiers with new/upgraded models
• Purchase of PCs, Laptops and Tablets to replace older units
• Rollout Terminal Services
• Set up temporary work stations for end-users during building renovation
• Continue collaborating with all Departments on technology solutions that will help improve job efficiencies
2019 Project – Mac Pro 2013 Final Cut Pro Studio Editing Suite

2019 Goals
- Continue to grow resident participation with certification programs
- Continue the education of current participants, thereby improving production values of our programming

Access on demand programming @ our TTTV link as well as https://tredyffrin.viebit.com
TOWNSHIP LIBRARIES

• Vision
  • Tredyffrin Township Libraries are recognized centers of knowledge, inspiration, and opportunity, contributing to a healthy, safe, and economically vibrant community

• Mission
  • Ensures that everyone has access to resources and services that provide exceptional opportunities to engage, read, learn, create, and contribute to lifelong learning
GOALS & STRATEGIC DIRECTIONS FOR 2019

• Access
  • Currently offer over 5,400 annual services hours combined
  • Opening the main library on Wednesdays will provide more opportunities for access to digital and electronic collections as well as in-person services and programs
  • Anticipated increases of over 250 library services hours, 15,000 yearly door count, 5,000 circulation transactions, and 1,000 program attendees

• Foster Community Connections
  • Offer more programs featuring local authors or area professionals that maximize library resources
  • Continue work as a community partner. Capitalize on unique abilities to be a part of and initiate community engagement activities
GOALS & STRATEGIC DIRECTIONS FOR 2019

• Knowledge and Inspiration
  • Go beyond basic literacy goals, and look at informational literacy, health literacy, civic-social literacy, and finance literacy
  • Coordinate literacy goals with expanding the format and type of collection resources and programming for all ages

• Library Experience
  • Continuing offering a welcoming environment to deliver exceptional service to the public
  • Identify needed upgrades and opportunities to repurpose, expand, and reconfigure spaces to be better suited to meeting the needs of the library users and the community as a whole
GOALS & STRATEGIC DIRECTIONS FOR 2019

• Increase Public Awareness
  • Raise the Libraries’ profile as a valued community-focused resource. Increase community awareness of the Tredyffrin Township Library Foundation and Library Board and their importance in creating a sustainable future for the libraries

• Measuring Success
  • Conduct Library use surveys to gather feedback on overall satisfaction of the library facility and use of space
  • Continue to track overall building access, program attendance, and circulation and find ways to contextualize the data in terms of staffing, resource, and service changes
PUBLIC WORKS
Department Staff:

- Director of Operations
- Public Works & Sewer Coordinator
- Public Works Services Clerk
- Foreman
- Crew Leader
- Mechanic (2)
- Senior Operator (6)
- Operator (1)
- Laborer (6)
- Sewer Operators (I &II) (5)
DUTIES

• Day to day maintenance of all Township Parks and Facilities
• Maintenance of approximately 107 miles of Township Roads
• Winter maintenance to all Township Roads, Facilities, and select State Roads
• Maintain 170 miles of sanitary sewer pipe and 9 pump stations
• Vehicle maintenance to all Township vehicles and equipment
• Flush, clean and repair all Township owned storm pipes and inlets as needed
• Operate the Township Leaf Site for recycling
• Coordinate and operate Facility usage, recreation programs and Community Events
2019 GOALS

• Continue to replace vehicles
  • 1996 Ford F800, 2002 F550 & 2006 F350
• Utilize upgraded Bring System to better cover the Township during winter storms
• Park Upgrades
  • Replace tennis courts at Friendship Park
  • Install pavilion at Woodbine Park
  • Repave driveway at Tee-Garden Park
• Along with Engineering, implement plans for MS4 requirements
• Implement a more comprehensive plan for turf maintenance
2019 GOALS

• Continue comprehensive paving program
• Collaborate with Engineering during construction of Station Ave. pump station
• Collaborate with Engineering on design of Glen Ave. & Lancaster Ave. pump stations
• Repave the driveway at Chesterbrook pump station
• Collaborate with Administration on expansion of PW facilities
POLICE DEPARTMENT
2019 GOALS

• Proactive patrol and road safety programs
• Efficient and effective investigations
• Expanding community policing programs
• Professional development of staff
• Fiscally responsible delivery of services
NEXT STEPS

• Adopt Preliminary Budget on November 19, 2018
• Budget Open House – November 29, 2018 from 10AM to 12PM in Keene Hall
• Discuss any questions or changes about the preliminary budget
• Adopt Final Budget on December 17, 2018