



December 13, 2011

The Honorable Board of Supervisors
Township of West Bradford
1385 Campus Drive
Downingtown, PA 19335

Dear Board of Supervisors,

On behalf of the employees of West Bradford Township I am pleased to submit the proposed 2012 Budget for our community, for consideration at this evening's Board Meeting. This Budget Message not only sets forth a financial plan for our Township during the next twelve months, but also calls to attention those trends, opportunities and challenges we are likely to face in the years to come.

- General Fund

For the 40th consecutive year our Budget does not include a property tax; as of this date West Bradford Township is one of only eight Chester County municipalities without this tax. If the Township is to continue without a property tax we must maintain our commitment to deliver quality services in the most cost-effective manner possible... to operate smarter, to plan better, and to conserve resources. I believe our Budget incorporates these important objectives.

As to projected receipts, the General Fund Budget is conservative in that it assumes revenues will not exceed that amount collected in 2011. Earned income taxes are projected to remain steady – at approximately \$1.9 million – thanks in large measure to the diversity of the employment of Township residents. The Budget assumes the real estate market will not improve in the coming twelve months, and as such holds the line on projected real estate transfer tax revenue.

The Budget does reflect a sizable uptick in new construction activities; a nearly 50% increase in engineering review fees is budgeted over that amount received in 2011. But this revenue is offset by an identical amount of expenses to pay for these services, so any deviation in this area of the Budget will have no impact to the Budget's "bottom line".

Foreign Fire Insurance and Foreign Casualty Insurance revenues beat the 2011 estimate by more than 70%. But this is a one-time windfall, courtesy of a change in the Commonwealth's collection schedule for certain taxes, and these receipts for the coming year have been budgeted at near 2010 levels.

As to projected expenditures, the General Fund Budget shows an approximate three percent decrease in spending from the previous year, excluding inter-fund transfers. The decrease is mostly attributable to the elimination of the Assistant Township Manager position. This position had managed land development activities and aided in certain information technology (IT)

projects. But with land development activities on the decline for several years, and given the Township's ability to outsource IT projects at a considerable savings, this position was eliminated in 2011.

In an effort to better control our costs the Township will offer a truncated inspection schedule during off-peak building months (i.e., winter). This will allow for a more effective use of personnel and resources without impact to the quality of inspection. The new schedule is projected to save approximately \$20,000.

The General Fund Budget also provides for the codification of the Ordinances of West Bradford Township. This project will create a single, easy-to-use Code Book that incorporates all Ordinances and other regulations that have been adopted by the Township throughout the previous decades. The Code Book will be posted on the Township website and will be searchable by keyword. The Code Book is scheduled to be available in early 2013.

Lastly, the General Fund Budget continues in its strong support of organizations that help to protect and preserve a higher quality of life in West Bradford Township... including the West Bradford Fire Company, West Bradford Youth Athletics, Downingtown Senior Center, Downingtown Area Recreational Consortium and the Downingtown and Coatesville Area Libraries. We provide financial assistance to these important organizations because we know that, by working together today, we can best address the challenges of tomorrow.

- Refuse Fund

The Refuse Program continues to impress... the Refuse Program seemingly always meets, and often exceeds, the high expectations of our residents. Thanks to the efforts of our Public Works team and a continuing campaign to promote recycling, the annual tonnage of single-stream materials collected continues to rise. The Township presently saves \$100 for each ton of recyclables that is diverted from refuse stream; the Township pays \$57 per ton of trash dumped, and the Township currently receives \$43 per ton of recyclables collected.

In 2011 the Township purchased a near-new compost turner at auction for \$11,000 (the equipment retails for \$90,000). The compost turner has greatly facilitated operations at the Township Compost Site, and this in turn has increased the volume of yard waste able to be processed at this facility. And in 2012 the Township will expand its Compost Site program to include the collection of grass clippings, a service that has been requested by many residents.

The Refuse Fund includes a \$1 per month increase to the refuse fee; the proposed fee for a single-family property is \$210 per year. The increase is needed to properly maintain our fleet of collection vehicles, and to provide for higher personnel, tipping fee and fuel costs.

- Highway Fund

In 2012 the Township will continue implementation of its twenty-year roadway program. This program is designed to maximize the useful life of infrastructure through proactive maintenance efforts and best management practices. Continuation of the roadway program is critical to

ensure an extreme financial liability does not burden the next generation of residents. In 2012 the Township will repave the following roadways: Clayton Road, Spring Oak Road, Glenside Road, and several sections of Shadyside Road. (Note: This list may change subject to roadway damage realized during the winter months.)

The Commonwealth's estimated Liquid Fuel Funding for 2012 is projected to increase by a modest three percent. The Township assumes this revenue will remain relatively flat, or decrease slightly, throughout the foreseeable future. This will require the Township to maximize the value received for each dollar spent on roadway maintenance. To this end the Township will continue participation in a multi-municipal paving cooperative that delivers considerable savings through the joint purchase of materials and services, and the joint use of an in-house labor crew.

- Hydrant Fund

The Hydrant Fund includes a \$2 increase to the annual fee paid by each property located within 780 feet of a fire hydrant, to \$24 per property. The increase is needed to offset actual hydrant rental fees paid by the Township.

In late 2011 AQUA submitted a request to increase its hydrant rental fees to the Pennsylvania Public Utility Commission (PUC). In early 2012 the PUC is expected to rule on this request, which may increase the rental fee paid for certain hydrants by up to ten percent. As of this date it is not known if the PUC will look favorably on the request.

- Sewer Fund

The Township-owned sanitary sewer system is slowly emerging from its "honeymoon period". Some portions of these facilities are now seven years old, and the Township is incurring higher maintenance and repair expenses inherent in this aging process. To minimize these costs the Township has increased public education on the proper use of the sewer system. In 2011 the Township newsletters included articles about the types of materials permitted to be discharged into the system, with the dual goal of maximizing the useful life of Township-owned grinder pumps and minimizing threats to the environment.

In 2012 the Township will create a capital reserve plan to replace sanitary sewer infrastructure. This plan will be modeled after the Township's twenty-year roadway program, and will aim to ensure an extreme financial liability does not burden the next generation of residents.

The Sewer Fund includes a \$5.34 per month increase to the sanitary sewer fee; the proposed fee for a single-family property is \$814 per year. This increase is driven by the limited number of new connections made to the sanitary sewer system in recent years. The depressed housing market has slowed home construction, and this has resulted in fewer properties "paying into" the system. At present, the two treatment plants are operating at half capacity. Rate increases may be expected to stabilize when all planned connections are made... but these connections are several years removed.

- Capital Fund

Sans required debt service and the potential purchase of an engine for the West Bradford Fire Company, Capital Fund expenditures in 2012 are exceptionally modest relative to recent years. No sizable capital projects will be undertaken in the next twelve months, and this “downtime” will provide an opportunity to replenish the Fund.

The Capital Fund includes \$5,000 for initial planning of the Township’s third community park, located at Lieds Road. The Township will seek grant funding to fund these improvements, which are most likely to begin no sooner than 2014.

The Capital Fund likewise provides for the replacement of up to four computer workstations. This purchase will allow the Township to utilize the technologies needed to deliver services in a cost-effective manner. Future budgets will continue this sound investment in technology.

- Equipment Fund

An Equipment Fund is new to our municipal Budget in 2012. Into this fund will be transferred that budgeted for the depreciation of vehicles and other major capital assets. Moving forward, the new equipment will be funded through this account. The Equipment Fund will assist the Township in its efforts to better manage the dollars needed to make major purchases throughout the years to come.

Sincerely,



Tommy Ryan
Township Manager

West Bradford Township will continue to provide service on the basis of what is affordable to our residents today, and what will not become a burden on them in the future. To do this, we make a commitment to consider where we are today and where we must be, and embrace and promote those changes necessary to be ready for tomorrow. The employees of West Bradford Township pledge to explore ways we can improve what we do, so to enable the Board of Supervisors to perform to the best of their ability, to assist our volunteers to provide meaningful service, and to maintain our Community as a leader among communities.