

Haverford Township 2024 Preliminary Budget

November 20, 2023



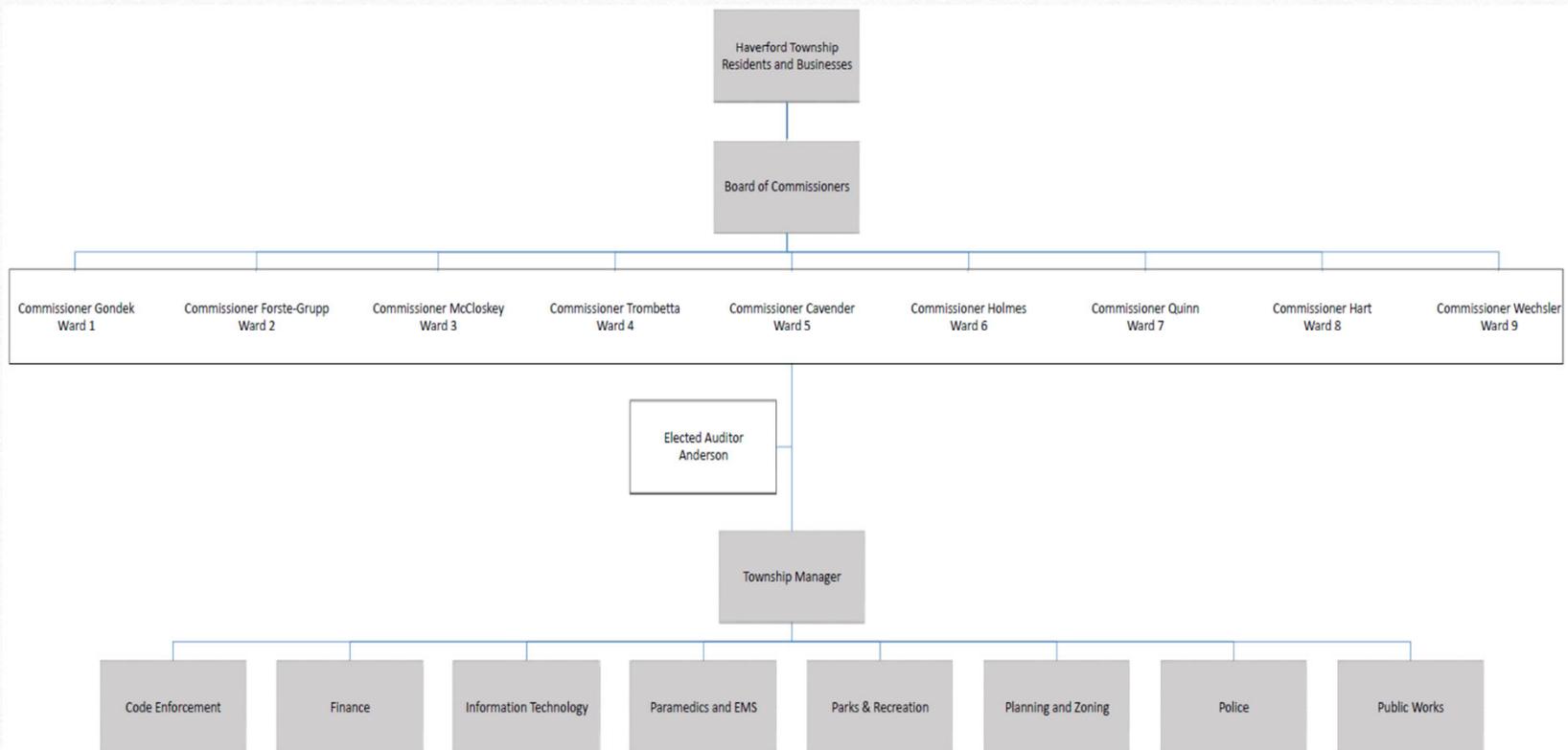
Presented by:

Kevin McCloskey, Esquire, Chairperson, Finance Committee

David Burman, Township Manager/Secretary

Aimee Cuthbertson, CPA, Director of Finance/Assistant Township Manager

Organization Structure



2024 Proposed Budget Summary

Fund	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
General (01)	\$53,121,727	\$49,855,037	\$3,266,690	7%
ARPA (03)	\$16,580,615	\$17,610,534	\$(1,029,919)	(6%)
Sewer (08)	\$4,932,138	\$4,981,504	\$(49,366)	<(1%)
Capital Projects (18)	\$27,609,990	\$30,006,807	\$(2,396,817)	(9%)
TOTAL	\$102,244,470	\$102,453,882	\$(209,412)	

But Before We Move On....

2 Largest Increase in General Fund Spending

Fund	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
General (01)	\$53,121,727	\$49,855,037	\$3,266,690	6.6%
Transfer out to Capital for Library	(1,000,000)			
Increase in MMO due to new Actuarial Valuation	(1,500,000)			
	\$50,621,727	\$49,855,037	\$766,690	1.5%

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GENERAL FUND (FUND 1)

2024 Proposed General Fund Budget Overview

- Includes funding and practices:
 - To continue providing our current level of service balancing safety, quality of life & efficiency with community needs and expectations
 - To satisfy our contractual obligations to the civilian and police CBA's
 - To proactively address increased MMO responsibilities
 - To continue addressing pay equity issues



Discussion on General Fund Revenues

- Operational shut down of Skatium for 4-6 weeks in early Summer 2024
- Contraction of real estate market affects driven revenue line items due to increased consumer borrowing costs
- Silver lining of investment earnings
- Preliminary budget includes 2.58% property tax increase
- Preliminary budget includes 0% increase to annual trash/recycling fee
- Planned use of reserves (discussion to follow)



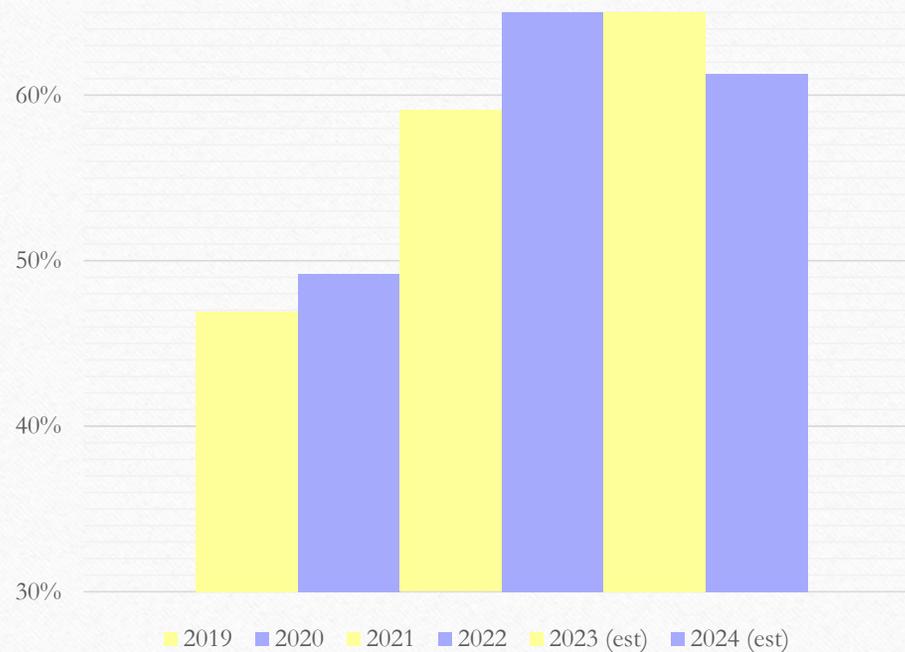
Discussion on Use of General Fund Reserves

NOTE: our continued healthy reserve position is an integral component to our AAA rating

When is it Appropriate?

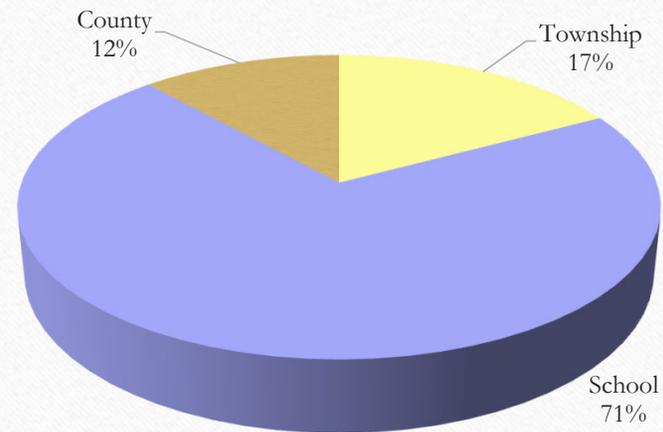
- When additional funds are needed to respond to a crisis or emergency
- When additional funds are needed to address unanticipated short-term revenue shortfalls
- To stabilize tax increases in unusual times
- \$820,000 use of reserves included in proposed 2024 budget
- \$1,000,000 use of reserves included as a transfer to Fund 18 (Capital Projects) to fund library project as planned

General Fund Reserves (as % of Budgeted Revenues)



Preliminary 2024 Property Tax Structure

Taxing District	Tax Rate
Township (2024 - prelim)	4.406
School (2023-2024)	18.168
County (2024 – prelim)	2.999 (un-announced)

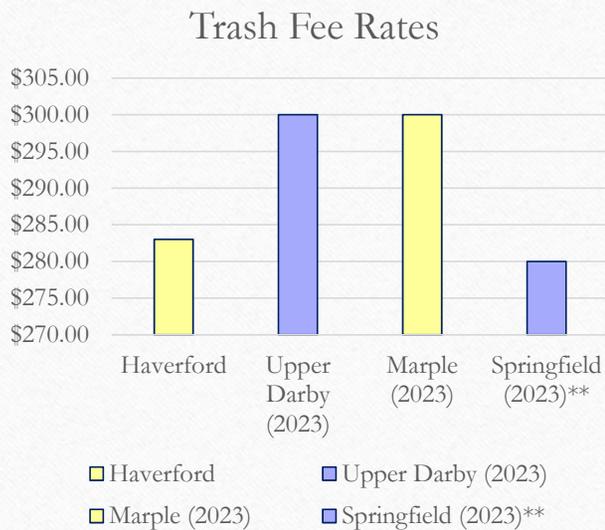


The proposed 2024 tax rate of 4.406 mills is below the average millage of all municipalities in Delaware County for 2023.

2024 Proposed General Fund Revenues

Revenue Category	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
Property taxes	\$27,710,781	\$27,014,616	\$696,165	3%
Act 511 taxes	\$4,575,000	\$4,500,000	\$75,000	2%
Licenses & permits	\$2,297,100	\$2,240,100	\$57,000	3%
Fines & forfeitures	\$175,000	\$160,000	\$15,000	9%
Interest & rents	\$1,431,000	\$666,109	\$764,891	115%
Grants	\$3,413,742	\$3,475,779	(\$62,037)	(2%)
Department earnings	\$8,393,191	\$8,252,014	\$141,177	2%
Other income	\$1,247,602	\$1,102,616	\$144,986	13%
Interfund transfers & Other	\$3,878,311	\$2,443,803	\$1,434,508	59%
TOTAL	\$53,121,727	\$49,855,037	\$3,266,690	7%

2024 Proposed Trash Fee Overview



- Proposed budget includes no change in the trash fee to remain at \$283 per residential property even though DCSWA has again raised its rates from \$83/ton to \$87/ton (\$7.00 discount if driven directly to Chester)
- 2024 fee will recoup 79.4% of related cost of collection
- Services include the following (year round):
 - 2x per weekly trash collection
 - Weekly brush collection
 - Weekly recycling collection
 - (2) Township-sponsored E-Waste Events/E-Waste Bins
 - (2) Township-sponsored Shredding Events
 - Compost Incentive Program/Glass Recycling Bin
 - Sharps/Medicine Drop Offs

Discussion on General Fund Expenditures

Cost drivers in the General Fund:

- Obligations under police and civilian CBAs
- 8% increase in property & casualty coverage premiums
- 11% increase in workers' compensation coverage premiums
- 30% increase in MMO pension funding (largely defined benefit plan)
- 18% decrease in gasoline & diesel costs



Discussion on General Fund Expenditures

Cost drivers in the General Fund:

- Includes increase in Act 172 Volunteer Firefighter Tax Credits from 20% to 50% to show appreciation and help recruit/retain our volunteer firefighters
- 3% increases in operational contributions for our volunteer fire companies, Discover Haverford and the Haverford Township Free Library
- 4% increase in self-funded Rx, vision and dental employee benefits



2024 Proposed General Fund Expenditures

Department	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
Administration (400)	\$1,087,324	\$1,047,196	\$40,128	4%
Finance (402)	\$818,725	\$824,550	(\$5,825)	<(1%)
Human Resources (406)	\$406,476	\$371,894	\$34,582	9%
Info Technology (407)	\$511,780	\$622,961	(\$111,180)	(18%)
Facilities (409)	\$1,316,930	\$1,193,221	\$123,709	10%
Police (410)	\$20,286,013	\$18,593,957	\$1,692,056	9%
Fire (411)	\$1,157,196	\$1,044,280	\$112,916	11%
EMS Administration (412)	\$571,845	\$561,457	\$10,388	2%

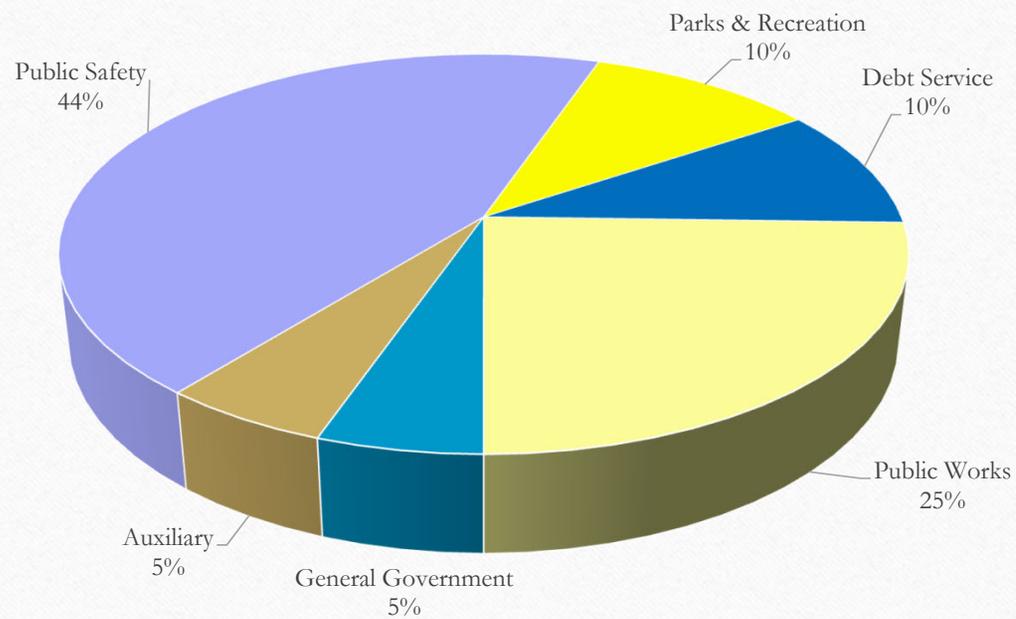
2024 Proposed General Fund Expenditures

Department	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
Code Enforcement (413)	\$1,128,709	\$1,034,785	\$93,924	9%
Community Development (416)	\$484,994	\$459,978	\$25,016	5%
Sanitation (427)	\$5,974,840	\$6,100,219	(\$125,379)	(2%)
Highways (430)	\$5,173,327	\$4,941,546	(\$231,781)	(5%)
Snow Removal (432)	\$285,445	\$293,828	(\$8,383)	(3%)
Street Lighting (434)	\$522,000	\$542,622	(\$20,622)	(4%)
Auxiliary (440)	\$2,899,148	\$1,909,448	\$989,700	52%
Parks & Recreation (450)	\$2,698,046	\$2,382,098	\$315,948	13%

2024 Proposed General Fund Expenditures

Department	2024 Proposed	2023 Adopted	Change (\$)	Change (%)
Ice Skating (451)	\$1,066,150	\$1,020,981	\$45,169	4%
Parks Maintenance (454)	\$1,736,859	\$1,745,022	(\$8,163)	<(1%)
Debt Service (471/472)	\$5,227,701	\$4,933,213	\$294,488	6%
TOTAL	\$53,121,727	\$49,855,037	\$3,266,690	7%

General Fund Expenditure Categories



Township Indebtedness

- As of December 2023 – \$59.7m in outstanding general obligation debt with borrowing base capacity for non-electoral debt of \$115m (so about 52% outstanding)
- Current budget includes no new borrowings in 2024
- Township is currently rated at AAA by Moody's Investor Services
- Currently, 9.8% of our general fund budget goes to pay debt service

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ARPA FUND (FUND 3)

2024 Proposed ARPA Fund (Fund 3)

Budget Overview

- Separate fund from general fund, sewer operations or general capital project funds
- Accounts for monies received (\$19.8m) and spent on allowable expenditures under ARPA:
 - To respond to Public Health Emergency from the pandemic
 - To respond to Negative Economic Impacts from the pandemic
 - To provide Premium Payments to Essential Workers
 - To make Investments in Water, Sewer and Broadband
 - To provide funding for General Governmental needs (except pension, debt pymts)

EMPHASIS: Services to Disproportionately Disadvantaged Communities
- Must be allocated by December 31 2024 and spent by December 31 2026

ARPA Financial Summary Thru November 13, 2023

- \$3.9m actual dollars spent
- \$4.4m obligated
- \$11.5m to be obligated by December 31, 2024
- \$15.9m to be spent by December 31, 2026

2024 Proposed ARPA Projects

- Continued park improvements including development of Brookline Park and Darby Creek trail extensions
- Darby Road Streetscape – Phase 3; tree planting along West Chester Pike business corridor
- Mental health initiatives, senior open houses
- Township-wide parking study and bike racks in business districts
- Business Revitalization & Modernization Matching Grant program
- Safe Streets for All Studies
- Stormwater management initiatives and sanitary sewer improvements
- Police in-car camera and body camera replacement
- Large pieces of heavy equipment for public works and police
- Paving work at public work facility

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SEWER FUND (FUND 8)

2024 Proposed Sewer Fund (Fund 8) Budget Overview

Largest Revenue Sources within Sewer Fund



- Sewer revenues are based on actual water flows as supplied by Aqua PA for the period 10/1/22 – 9/30/23
- Negative trend of about 1.7% reduction in water use over the last the five years and a YOY reduction of 1.3% between 9/30/22 and 9/30/23 readings
- Reduced water use = reduced revenues, without a rate increase

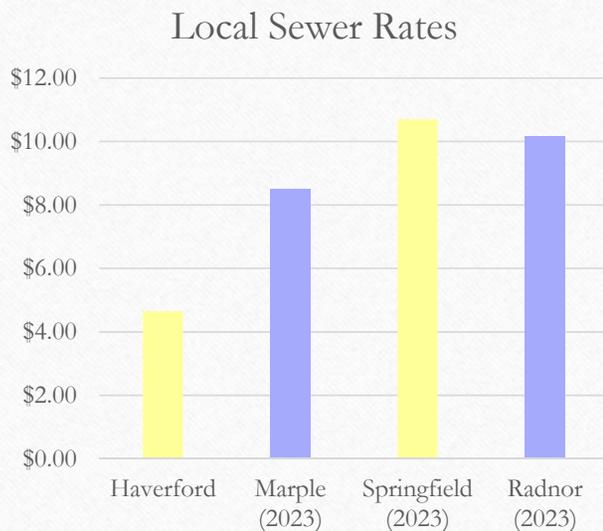
2024 Proposed Sewer Fund (Fund 8) Budget Overview

Largest Expense Sources within Sewer Fund



- Our sewer personnel
- Charges from Upper Darby Township as a conduit for the City of Philadelphia – 38.59% of metered flow through Upper Darby to the City is billed to Haverford based on long standing agreement with Upper Darby Township
- Charges from RHM (Radnor-Haverford-Marple Authority) – based on metered water flow out of the Township – minimal increase over 2023
- No specific capital needs planned for 2024 (other than ARPA funded)

2024 Proposed Sewer Fund Budget Overview



- Proposed budget includes no change to the sewer fee and would remain at \$4.65/1,000g of water used
- In an ideal situation, only sewage waters would be in the pipes but with aging infrastructure, we have continued I&I challenges which inflate the metered flows out of the Township.
- Future discussion may be a structure of EDU fees as opposed to basing on water usage.
- Retained earnings (fund balance) within the Sewer Fund is restricted to sewer needs and essentially serves as both financial stability for sewer operations as well as a restricted source of sewer capital, if needed.

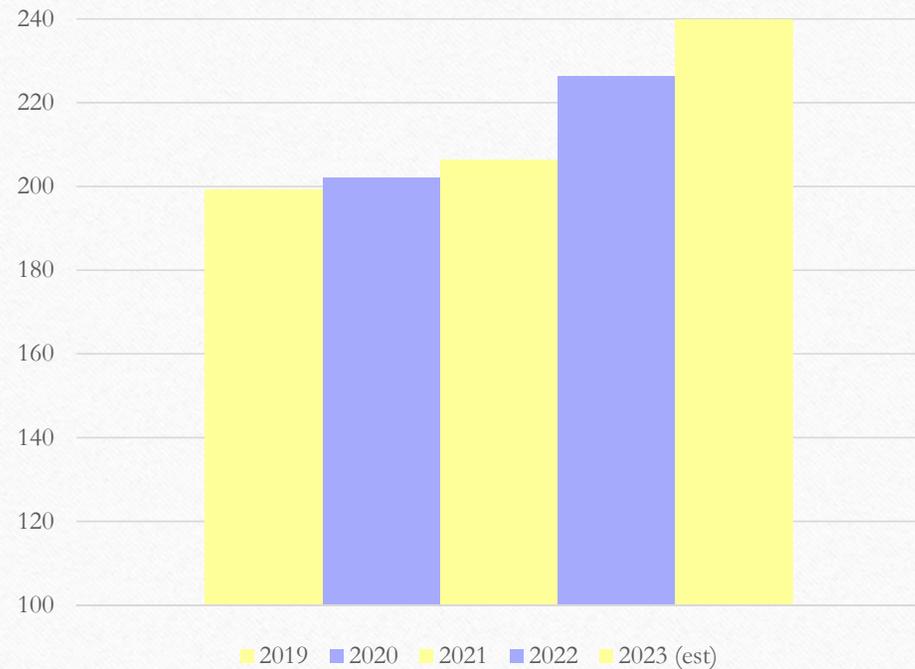
Discussion on Use of Sewer Fund Reserves

NO PLANNED USE OF RESERVES IN 2024 PROPOSED BUDGET

When is it Appropriate?

- When additional funds are needed to respond to a crisis or emergency
- When additional funds are needed to address unanticipated short-term revenue shortfalls
- To stabilize rate increases in unusual times

Sewer Fund Reserves (as % of Budgeted Revenues)



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CAPITAL PROJECTS FUND
(FUND 18)

2024 Proposed Capital Project Fund (Fund 18) Budget Overview

- Separate fund from general fund, sewer operations or ARPA
- Holds monies for capital projects (including historic properties) so disbursements vary based on capital project activity in a given year
- Source of revenues: borrowing proceeds, sale of township assets, one-time revenues, inter-fund transfers
- No new borrowings are proposed in 2024 budget

2024 Proposed Capital Projects

- EVC station @ CREC and police lot
- “Welcome to Haverford” signage at major entryways into Township
- Solar panel construction on select Township facilities
- Skatium improvements (electric ice resurfacer, cooling tower & chiller replacement, locker room renovations)
- Historic property capital projects
- Interior CREC improvements
- Continuation of Pennsy Trail and Mill/Karakung parking projects
- Pole barn for public works
- Various public works equipment and technology improvements including new HRIS system



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CONCLUSION

Future Planning & Wrap Up

- Current Civilian CBA ends December 31, 2025
- Administer high profile projects such as the library renovation/Skatium capital projects
- Continued use of ARPA monies in accordance with allowable spending rules in line with 2024 and 2026 milestones
- Next steps in budget process:
 - Adjust for corrections and/or update revenue projections
 - Final Adoption on December 11, 2023
 - Comments or questions?