

# Middle Smithfield Township Presentation of Proposed 2016 Budget



# No tax increase for 2016.



Presentation of Proposed 2016 Budget, December 7, 2015

# Agenda

- **Introduction**
- **Overview**
- **Revenue and Expenses**
- **Account Highlights**
- **Questions?**



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# Introduction

## Context of this presentation:

- **12/ 7: Presentation of Proposed 2016 Budget**
- **12/28: Adopt 2016 Budget**
- **1/28/2016 “The Year Ahead” Presentation**

So, we’ll touch on the past and the future in this presentation in context of the budget – but upcoming meetings will go more in depth with municipal activities, what has changed and why, and some key milestones and benchmarks.



Presentation of Proposed 2016 Budget, December 7, 2015

# So what do I get for my taxes, anyway?

- 74 miles of roads maintained
- Recycling program  
For example, the new leaf collection facility
- 5 Parks
- Community Reinvestment:  
Building a sense of community, for example, beautification efforts, Egg Hunt, Memory Makers, Trunk or Treat, Tree Lighting, etc.
- Golf course and banquet hall
- Community planning, zoning and improvements\* (quality of life)

\* More in the “Preview of 2016” presentation

Presentation of Proposed 2016 Budget, December 7, 2015



# So what do I get for my taxes, anyway?

The average Middle Smithfield household pays \$250 per year in township taxes. Here is a breakout for the typical municipal taxpayer:

Road Improvements & Maintenance (e.g., plowing, leaf collection, pothole repairs, paving) .....	\$ 61.61
General Government (Administration & Operations, donations, community/municipal events & projects, etc)...	\$ 28.57
Legal, Engineering, Zoning.....	\$ 26.92
Medical Insurance.....	\$ 26.13
Reserves.....	\$ 23.75
Public Safety: Fire/Ambulance.....	\$ 23.18
Social Security, Disability, Unemployment.....	\$ 13.25
Golf Course and Banquet Hall.....	\$ 12.96
Debt Service (loans) & Capital Expenses.....	\$ 7.95
Parks, Culture and Recreation.....	\$ 7.38
Insurances.....	\$ 6.47
Utilities.....	\$ 5.94
Buildings and Grounds.....	\$ 5.89
<b>Annual TOTAL per average household</b>	<b>\$250</b>

# Township Comparison (2015)

TOWNSHIP	LIBRARY	COUNTY	FIRE	EMS	TOWNSHIP	SCHOOL	total
HAMILTON	1.1	21.25			1	157.36	180.71
ROSS	1.75	21.25			1.5	146.016	170.516
PRICE	1.1	21.25			3	179.37	204.72
SMITHFIELD	1.1	21.25			4	179.37	205.72
POLK	1.75	21.25			4.3	146.016	173.316
CHESTNUTHILL	1.75	21.25	1	0.25	5.2	146.016	174.466
PARADISE	1.5	21.25			6.25	139.29	168.29
JACKSON	1.1	21.25	1		8	139.29	169.64
ELDRED	1.75	21.25			9.5	146.016	178.516
<b>MIDDLE SMITHFIELD</b>	<b>1.1</b>	<b>21.25</b>			<b>9.5</b>	<b>179.37</b>	<b>211.22</b>
TUNKHANNOCK	0.75	21.25	1		10.5	139.29	172.79
COOLBAUGH	2	21.25	1		12.75	139.29	175.29
STROUD	1.1	21.25	1.5		14	157.36	193.71
TOBYHANNA	0.75	21.25			14.44	139.29	175.73
DEL WATER GAP	1.1	21.25	1.75		16.6	157.36	198.06
POCONO	1.1	21.25			17.35	139.29	178.99
BARRETT	1.5	21.25			18.75	139.29	180.79
E STROUDSBURG	1.1	21.25			21.5	179.37	223.22
MT POCONO	1	21.25	1.5		27	139.29	190.04
STROUDSBURG	1.1	21.25			40	157.36	219.71

AVERAGES

1.275

21.25

0.21 0.01

**12.257**

152.2652 187.2722

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**MST Municipal taxes  
BELOW average**

AVERAGES                      1.275      21.25    0.21   0.01    **12.257**    152.2652   187.2722



# What else does MST provide?

- **Central Sewer System**  
*(users are billed quarterly)*
- **First Responder Emergency Services**  
*(via Cable Franchise Fee)*



# Township Perspective

- **88%** of the single family homes in Middle Smithfield pay **less than \$420** a year in municipal taxes
  - Close to **60%** of the single family homes in Middle Smithfield Township, **pay less than \$250/year** in municipal taxes
  - Almost 30% of the single family homes in MST, pay between \$250 and \$420 a year in municipal taxes



# Overview

**Our Municipal Accounting is divided into 4 Accounts:**

- General Fund
- Liquid Fuels (roads)
- Sewer Fund (enterprise fund)
- Golf (special revenue fund)

**What follows is a general overview of conditions, and then some highlights.**



# Overview

## Once again, we did what we said we would do:

- We said we would **enact the LERTA**. . . And we did, with the unanimous support of the County Commissioners and majority vote of the East Stroudsburg School Board.
- We applied for and were **awarded over \$300,000 in grants**:
  - Church Hill Road improvements (Dirt and Gravel Road Grant from DRBC)
  - Recycling equipment and site improvements (DEP Grant)
- We continue to explore ways to **cut spending**:
  - No new loans or new debt
  - Maintain employee contributions to health benefits plan. They now pay 14%.
  - Expanded recycling, free-cycle, paper shredding
  - New electricity provider, Basic Power devices



# Overview

## **No new municipal taxes and no tax increase for 2016:**

- Because we now have reserves, we're not borrowing money from the bank. Borrowing money costs money.
  - For example, we will not have to borrow with a Tax Anticipation Note in 2016, as was past standard practice.
- With reserves, we won't be operating at a deficit just to keep the township running.
- Capital Improvements Plan for sewer, municipal buildings, parks



# Current Conditions



Presentation of Proposed 2016 Budget, December 7, 2015

# Current Conditions

**Revenue:** MST receives revenue from:

- **Property Taxes:**  
increasing slowly year over year
  - Business climate improving
  - Home sales are improving
- **Earned Income Tax:**  
steadily increasing
- **Realty Transfer Tax:**  
Did we mention home sales are increasing?
- **Zoning and Building Permits:**  
also increasing



# Current Conditions: Revenue

## Revenue ~~leveled off~~ is picking up!

whereas overall revenue declined steadily for years during the mid-2000's, and then levelled off in recent years – it has now picked up:

	2013 ACTUALS	2014 ACTUALS	2015 YTD (to 11/30/2014)	2015 Est.
Transfer Tax	\$237,473	\$271,619	\$246,028	\$ 301,489
Permit Fees	\$52,508	\$ 78,752	\$85,116	\$ 87,116
Earned Income Tax	\$1,191,796	\$1,198,868	\$1,215,716	\$ 1,275,716
TOTAL	\$1,481,777	\$1,549,239	\$1,215,716	\$ 1,664,321





# Current Conditions: Expenses

## Increased Expenses:

- Increased fuel / utility costs
- Medical benefits are increasing at 10-20% per year:
  - 2012 = 10.8% increase
  - 2013 = 14.2% increase
  - 2014 = 14.8% increase
  - 2015 = 13.9% increase
  - **2016 = 17.9% increase**

Yes -- in 2016, it will be approximately 17.9%

- Municipal Cost Index for 2015 so far has decreased by .44%



# Current Conditions: Revenue

- **Some bright Spots:**
  - We continue to see an increase in income from commercial growth and there is much interest in our LERTA zones
  - Earned Income is improving throughout our township (EIT increased 13% from 2014)
  - Home sales are improving (5% increase in Transfer taxes from 2014)



# Fund Highlights

## General Fund:

The General Income for 2016 is expected to be approximately 5.1% (\$200,100) lower than 2015. ***The expiration of the Cable Franchise Fee (\$115,000) and decrease in DEP grants (which allow application for grants every OTHER year) are the primary reasons income is anticipated to be lower.***

The expected year end General Fund balance of \$500,000 is 9.5% better than expected!

Last year we said our target for the reserve account is 20% of annual income – and we achieved that goal in 2015!



# Fund Highlights

## Sewer:

Sewer fund expenses are primarily Operating Costs and Debt Service.

The 2015 Sewer Fund Account balance was projected to be \$369,000. We have every reason to believe, barring any significant unforeseen expenses, we will end the year with a Fund balance of \$421,000.

Last year we discussed cost of living adjustments (COLA) for our sewer fees or a minimum increase of 2.5%. Based on operational efficiencies experienced in 2015 and better than expected collections of past due amounts, a sewer fee increase is not anticipated in 2016.

However, as you will note in the 2015 budget, much of this balance will be needed to fund capital improvements that are desperately needed and long overdue for our aging sewer system.



# Fund Highlights

## PA Liquid Fuels funds . . .

. . . are expected to be approximately \$496,000 based upon notification received from the State. Road improvements and capital purchases will be planned accordingly.



# Fund Highlights

## The Golf Course

The golf course experienced its best year since 2009! Golf rounds in 2015 exceeded projections and there were over 13,000 rounds of golf played. The event hall also had its best year, with over 25 events and a number of repeat outings.

Without question, the income derived through operating the course is a result of the tireless efforts of the Golf Advisory Committee who put in literally hundreds of volunteer hours to sell memberships, attract golf outings, and help us oversee the operations from “tee to green”, to banquet hall, with the goal of offering an attractive asset for sale.

The well maintained golf course and its operations continue to be a source of township pride, dedication, and enjoyment. The banquet hall is a terrific asset for community events. The course and banquet hall contribute to the local economy by providing employment and income for peripheral businesses, such as food service, supplies, gas, etc.

**For 2016, the Golf Committee has been tasked with preparing the course for sale.**

Presentation of Proposed 2016 Budget, December 7, 2015



# Proposed 2016 Budget

2016 Budget Summary	2016 General Fund	State Fund Liquid Fuels	Golf Fund	Sewer Fund	Total ALL FUNDS
<b>Cash - Beginning</b>	975,200.00	103,000.00	0.00	421,000.00	1,499,200.00
<b>Revenues &amp; Other Financing</b>					
Taxes	3,340,000.00				3,340,000.00
Licenses-Permits-Franchise Fees	115,000.00				115,000.00
Fines & Forfeits	1,550.00				1,550.00
Interest, Rents & Royalties	6,640.00	100.00			6,740.00
Intergovernmental Revenues	219,307.00	496,911.70	218,250.00		934,468.70
Charges for services	146,200.00		317,325.00	1,960,000.00	2,423,525.00
Total sewer reimbursement	86,719.00				86,719.00
Total other sources	3,055.00			300,000.00	303,055.00
<b>Total Revenues</b>	<b>3,918,471.00</b>	<b>497,011.70</b>	<b>535,575.00</b>	<b>2,260,000.00</b>	<b>7,211,057.70</b>
<b>Total Available</b>	<b>4,893,671.00</b>	<b>600,011.70</b>	<b>535,575.00</b>	<b>2,681,000.00</b>	<b>8,710,257.70</b>
<b>Expenditures and other uses</b>					
General Government	874,701.00			124,940.00	999,641.00
Public Safety/fire/ems/control	390,300.00				390,300.00
Protective services	227,850.00				227,850.00
Cleanup and recycling	75,365.00				75,365.00
Sewer dept expense	55,965.00		2,100.00	902,950.00	961,015.00
Public works admin	271,200.00		105,000.00		376,200.00
Golf Supplies and other expenses	103,250.00		338,075.00		441,325.00
Snow removal	183,750.00	100,000.00			283,750.00
Traffic control and improvements	34,585.00				34,585.00
Equipment costs public works	206,300.00	80,000.00	40,000.00	475,000.00	801,300.00
Streets & roads maint & constr	266,275.00	373,000.00			639,275.00
Culture and Recreation	211,520.00				211,520.00
Regional parks	9,600.00				9,600.00
Community development	18,134.00				18,134.00
Debt Service & Capital Exp	133,838.00		10,400.00	719,051.00	863,289.00
Misc.-Ins. and benefits etc.	772,065.00		40,000.00	5,500.00	817,565.00
<b>Total Expenditure &amp; Uses</b>	<b>3,834,698.00</b>	<b>553,000.00</b>	<b>535,575.00</b>	<b>2,227,441.00</b>	<b>7,150,714.00</b>
<b>Net income (loss) from operations</b>	<b>83,773.00</b>	<b>(55,988.30)</b>	<b>0.00</b>	<b>32,559.00</b>	<b>60,343.70</b>
<b>Fund Balance - Ending 12/31/16</b>	<b>1,058,973.00</b>	<b>47,011.70</b>	<b>0.00</b>	<b>453,559.00</b>	<b>1,559,543.70</b>



# Questions?

Presentation of Proposed 2016 Budget, December 7, 2015





# TO COME:

- Thursday, 12/18: Deadline for **Toys for Tots** and **Bushkill Outreach** donations!
- Monday, 12/28, 7pm: Board of Supervisors Meeting.
- Wednesday, 12/31, 7pm: **Happy New Year!** Celebrate MST's Person of the Year at Whispering Pines Banquet Hall!
- Monday, 1/4/15, 7pm: Reorganization Meeting.
- Thursday, 1/28/16, 7pm: Board of Supervisors Meeting  
**Preview of 2016**

Come hear what's being planned for 2016 by your Township and your Committees!



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# Mission Statement

Middle Smithfield Township is committed to **continuously improve the quality of life** for our citizens, and **business environment** for our enterprises through creative leadership, dedicated personnel and collaboration.

We encourage our residents to participate in their own local government by providing **transparency, information, and excellent communication**. We make every effort to balance a healthy environment, and preserve our history and natural resources while promoting economic growth.

We will foster trust through honesty, transparency, fairness, and applying and enforcing our township code consistently.



Presentation of Proposed 2016 Budget, December 7, 2015

# Vision Statement

We will restore the pride to Middle Smithfield Township. By the end of the decade, we will be the model township of the Poconos, a most desirable place to live and work with vibrant Main Street village centers we can all be proud of.

Middle Smithfield Township is in an important transition period right now – we need dedicated employees and volunteers now more than ever.



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## **GOALS for 2016:**

**Invest** in our community

**Encourage** business growth.

**Lead** municipal services

**MST Means Business!**



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## Moving Forward: Progressive Goals:

2012:

**Repair** the Relationships.

**Rebuild** the Trust.

**Renew** the Commitment.

**Restore** the Pride.

2013:

**Reinvent**

Revolution: **Evolve**

Resolution: **Solve**

**Restore** the Pride.

2014 & 2015:

**Build** a sense of **community**

**Engage** our residents.

**Collaborate**

**Grow** with Pride.

2016:

**Invest** in our **community**

**Encourage** business growth.

**Lead** municipal services

**MST Means Business!**