

# Haverford Township 2022 Preliminary Budget

November 15, 2021

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Presented by:

Larry Holmes, Esquire, Chairman, Finance Committee

David Burman, Township Manager/Secretary

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

# 2022 Proposed Budget Summary

Fund	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
General (01)	\$46,567,428	\$47,459,900	(\$892,472)	(2%)
Sewer (08)	\$4,738,144	\$5,050,000	(\$311,856)	(6%)
Capital Projects (18)	\$34,311,282	\$28,368,100	\$5,943,182	2%
ARPA (03)	\$19,134,743	-	\$19,134,743	
<b>TOTAL</b>	<b>\$104,751,597</b>	<b>\$80,878,000</b>	<b>\$23,873,597</b>	

*The combined total of Capital Projects and ARPA Funds will be show as \$53 million in the proposed budget, which includes carrying forward unspent funds into future years. As a practical matter, we anticipate completing approximately \$18 million dollars worth of work in 2022, with the balance to be carried forward to future years.*

# 2022 High Level Summary

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- Property Tax Rate – proposed 0% property tax increase.
- Trash / Recycling Fee - proposed 2% increase, pending late information from Delaware County Solid Waste Authority.
- Sewer rate – proposed 2.2% increase from \$4.55 per 1,000 gallons of water used to \$4.65 per 1,000 gallons. Average increase of \$3 per year for sanitary sewer service.

# 2022 Proposed General Fund Budget Initiative Overview

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- Includes funding and practices:
  - Keep community and employees safe as we emerge from the COVID-19 Pandemic
  - Provide service levels that continue to balance safety & efficiency with resident needs and expectations
  - Expand recycling opportunities to divert materials from landfills and other waste facilities
  - Enhance Haverford Township's reputation as an open and welcoming community
  - Satisfy contractual obligations in our Collective Bargaining Agreements
  - Implement capital improvement program, including projects that have been deferred due to COVID-19
  - Maintain solid financial position in light of economic uncertainties

# 2022 Proposed Operating Budget Summary

Fund	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
General (01)*	\$46,567,428	\$47,459,900	(\$892,472)	(2%)
Sewer (08)	\$4,738,144	\$5,050,000	(\$311,856)	(6%)
<b>TOTAL</b>	<b>\$51,305,572</b>	<b>\$52,509,900</b>	<b>(\$1,204,328)</b>	<b>(2%)</b>

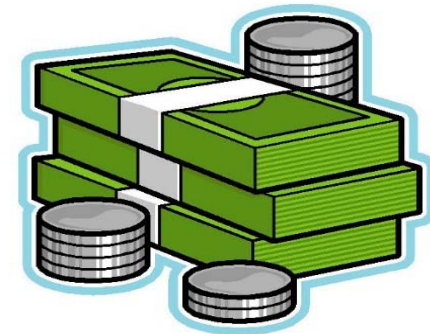
*Pending late notification of tipping fee increase from Delaware County Solid Waste Authority.*

# Discussion on General Fund Revenues

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Preliminary budget includes

- proposed 0% property tax increase
- proposed 2% increase to annual trash/recycling fee, pending late information from Delaware County Solid Waste Authority
- reduced pension and liquid fuels monies coming from Commonwealth of PA
- continued low investment earnings
- utilization of reserves to address budget gaps due to anticipated slow growth in revenue streams

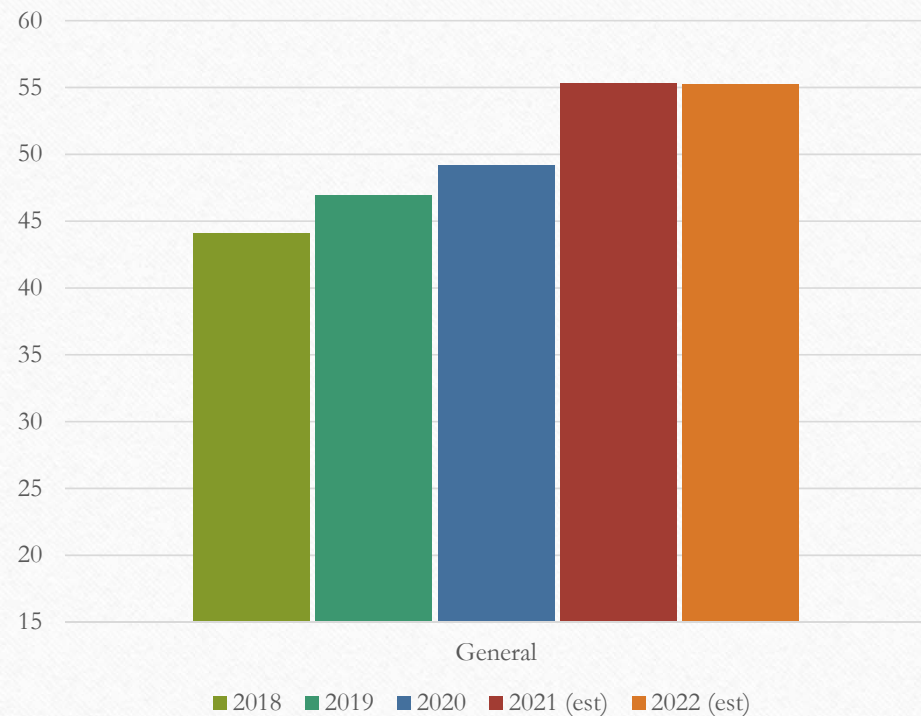


# Discussion on Use of General Fund Reserves

When is it appropriate?

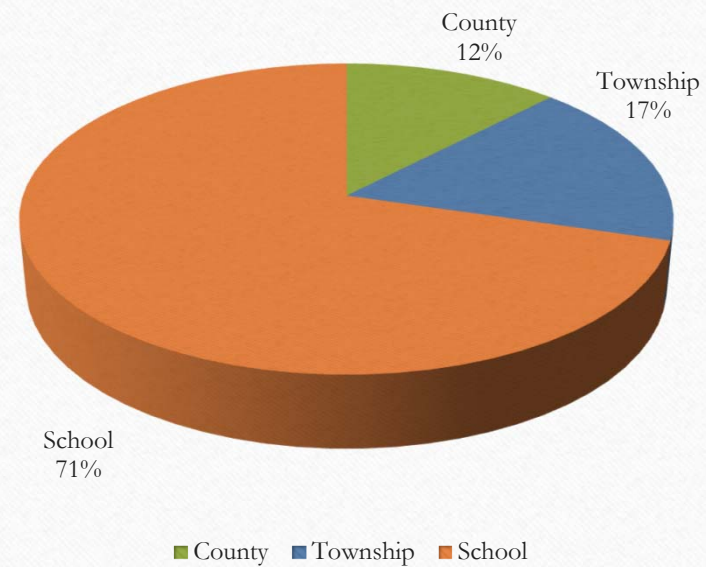
- When additional funds are needed to respond to a crisis or emergency
- When additional funds are needed to address unanticipated short-term revenue shortfalls
- To stabilize tax increases in unusual times

General Fund Reserves (as % of Budgeted Revenues)



# Property Tax Structure

Taxing District	Tax Rate
Township	4.218
School	17.1811
County	2.999





# 2022 Proposed General Fund Revenues

Revenue Category	2022 Proposed	2021 Proposed	Change (\$)	Change (%)
Property taxes	\$26,388,029	\$26,393,863	(\$5,834)	(0.0%)
Act 511 taxes	\$4,285,000	\$3,626,875	\$658,125	18.1%
Licenses & permits	\$2,240,100	\$2,275,500	(\$35,400)	(1.6%)
Fines & forfeitures	\$155,000	\$180,000	(\$25,000)	(13.9%)
Interest & rents	\$685,738	\$735,617	(\$49,879)	(6.8%)
Grants	\$3,254,416	\$3,005,542	\$248,874	8.3%
Department earnings	\$7,030,458	\$6,567,296	\$463,162	7.1%
Other income	\$1,208,687	\$1,167,305	\$41,382	3.5%
Interfund transfers & Other	\$1,320,000	\$3,507,902	(\$2,187,902)	(62.4%)
<b>TOTAL</b>	<b>\$46,567,428</b>	<b>\$47,459,900</b>	<b>(\$892,472)</b>	<b>(1.9%)</b>

# Discussion on General Fund Expenditures

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- Civilian CBA calls for 3.5% wage increase (pending approval)
- Police CBA calls for 2.75% wage increase
- 6.1% overall increase in salaries & compensation costs
- 11% decrease in health care costs (0% increase + premium holiday)
- 3.2% increase in property & casualty coverage premiums
- 11.4% increase in workers compensation coverage premiums
- 14.5% decrease in MMO pension funding (favorable valuation)
- 13.9% increase in gasoline & diesel costs



# Discussion on General Fund Expenditures



## Delaware County Solid Waste Authority

Rose Tree Park - Hunt Club  
1521 N. Providence Road  
Media, PA 19063-1039  
610-852-9020  
Fax: 610-892-9522

Board  
James P. Kelly  
Chairman  
Christine Reuther  
Vice Chairman

Robert T. Layden,  
Thomas Donahue  
Barbara Kether  
John Butler  
James McLaughlin

Joseph Crawford, Solicitor

November 5, 2021

Dear Municipal Manager/Secretary:

In order for the Delaware County Solid Waste Authority (DCSWA) to continue to serve the residents of Delaware County by disposing of the municipal trash generated in the County it has become necessary to address our tipping fees for the upcoming year. With the high costs of expanding our landfill and the uncertainty surrounding our contract with Covanta, we are forced to raise our rates to levels competitive with the surrounding counties. The Waste Management and Recycling Fee (WM&RF) will be increased to \$78 per ton effective January 1, 2022.

The current Covanta contract runs through April of 2022 and municipalities will still be able to save \$5 per ton by taking their trash directly to Covanta through that period. Anyone not already taking advantage of this reduced fee but wishing to do so can contact Michele Campellone at [mcampellone@dcswa.net](mailto:mcampellone@dcswa.net) with questions or for information. We appreciate your understanding and for your cooperation in this matter.

Very Truly Yours,

*James P. Kelly*

James P. Kelly, Chairman

On November 5, 2021 the Delaware County Solid Waste Authority informed us of a \$20 per ton rate increase from \$58 to \$78 per ton.

Will need to discuss impact on trash and recycling fee.

## 2022 Proposed General Fund Expenditures

Department	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
Administration (400)	\$945,964	\$949,027	(\$3,063)	(0.3%)
Finance (402)	\$831,604	\$789,930	\$41,674	5.3%
Human Resources (406)	\$302,913	\$251,182	\$51,731	20.6%
Info Technology (407)	\$599,851	\$574,121	\$25,730	4.5%
Facilities (409)	\$1,049,295	\$1,088,966	(\$39,671)	(3.6%)
Police (410)	\$17,625,703	\$18,111,060	(\$485,357)	(2.7%)
Fire (411)	\$967,743	\$960,137	\$7,606	0.8%
EMS Administration (412)	\$422,340	\$571,382	(\$149,042)	(26.1%)

## 2022 Proposed General Fund Expenditures

Department	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
Code Enforcement (413)	\$1,141,501	\$986,890	\$154,611	15.7%
Community Development (414)	\$486,138	\$524,962	(\$38,824)	(7.4%)
Sanitation (427)	\$5,211,766	\$5,169,346	\$42,420	0.8%
Highways (430)	\$4,954,385	\$4,707,600	\$246,785	5.2%
Snow Removal (432)	\$268,313	\$246,930	\$21,383	8.7%
Street Lighting (434)	\$585,400	\$589,200	(\$3,800)	(0.6%)
Auxiliary (440)	\$1,794,642	\$3,210,707	(\$1,416,065)	(44.1%)
Parks & Recreation (450)	\$2,241,092	\$2,008,524	\$232,568	11.6%

## 2022 Proposed General Fund Expenditures

Department	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
Ice Skating (451)	\$832,233	\$711,005	\$121,228	17.1%
Parks Maintenance (454)	\$1,331,207	\$1,363,708	(\$32,501)	(2.4%)
Debt Service (471/472)	\$4,975,338	\$4,645,223	\$330,115	7.1%
<b>TOTAL</b>	<b>\$46,567,428</b>	<b>\$47,459,900</b>	<b>(\$892,472)</b>	<b>(1.9%)</b>

# Debt Service

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- As of December 2021 – \$45.8m in outstanding general obligation debt
- Current budget includes assumption of \$25m in new borrowing
- Township has been reaffirmed as Aaa credit rating by Moody's Investor Services
- In the proposed 2022 budget, 10.7% of our general fund budget goes to pay debt service

# General Fund Wrap Up

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Although we head into 2022 with optimism, a great deal of uncertainty remains. The global pandemic persists, unemployment and inflation are very real concerns, supply chain issues plague many industries, and many Haverford Township residents are still reeling from the effects of the countywide reassessment. Under the circumstances, we believe a tax increase could place a significant hardship on our residents and businesses.

Therefore, after a great deal of deep consideration, **we propose no tax increase and, instead, recommend utilizing \$720,000 of unrestricted reserves to balance the 2022 budget.**





# 2022 Proposed Sewer Fund Overview

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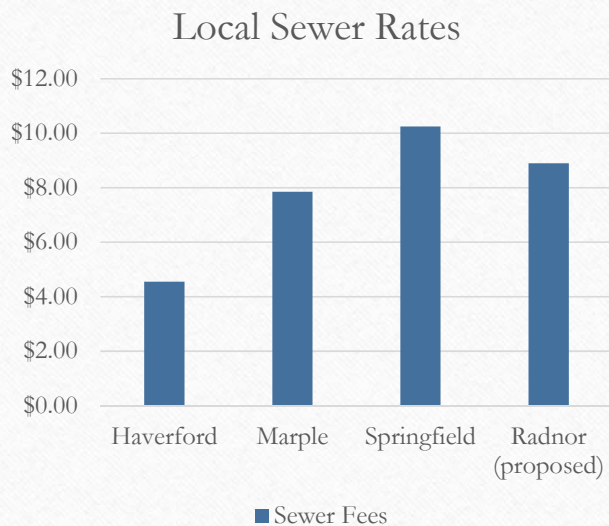
## Revenues

- Sewer revenues based on actual water flows as supplied by Aqua PA
- Reduced water consumption and increased structural costs for collection, conveyance and treatment.

## Expenses

- Sewage processing fees paid to downstream authorities represent 66% of our sewer fund expenditures.
- Processing fees to Radnor-Haverford-Marple Sewer Authority (\$1.6 million) and to Upper Darby Township (\$1.5 million), with pass through costs to Delcora and the City of Philadelphia systems.
- Township personnel costs represent just 16% of the operating budget in the sewer fund.

# 2022 Proposed Sewer Fund Budget Overview



- For 2022, we propose increasing the sewer rate from \$4.55 per 1,000 gallons of water used to \$4.65 per 1,000 gallons. The \$.10 increase (or 2.2%) per 1,000 gallons represents an average increase of \$3 per year for sanitary sewer service.
- In an ideal situation, only sewage would be in the pipes but with aging infrastructure, we have inflow and infiltration issues, which inflate the metered flows out of the Township.
- Future discussion may include a change in billing structure (for example, an EDU based fee rather than consumption based).

# 2022 Proposed Capital Budget Summary

Fund	2022 Proposed	2021 Adopted	Change (\$)	Change (%)
Capital Projects (18)	\$34,311,282	\$28,368,100	\$5,943,182	2%
ARPA (03)	\$19,134,743	-	-	
<b>TOTAL</b>	<b>\$53,446,025</b>	<b>\$28,368,100</b>	<b>\$5,943,182</b>	

*The combined total of Capital Projects and ARPA Funds will be show as \$53 million in the proposed budget, which includes carrying forward unspent funds into future years. As a practical matter, we anticipate completing approximately \$18 million dollars worth of work in 2022, with the balance to be carried forward to future years.*

# American Rescue Plan Act (ARPA) Fund

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<b>PUBLIC HEALTH EMERGENCY</b>	<b>NEGATIVE ECONOMIC IMPACTS</b>	<b>SERVICES TO DISPROPORTIONATELY IMPACTED COMMUNITIES</b>	<b>PREMIUM PAY FOR ESSENTIAL WORKERS</b>	<b>WATER, SEWER AND BROADBAND INFRASTRUCTURE</b>
\$ 265,145	\$ 3,250,000	\$ 600,000	\$ 305,000	\$ 3,250,000
3%	33%	6%	3%	33%

# Noteworthy Capital Improvement Projects

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- Solar panel purchase and installation
- Parking improvements at Mill & Karakung SEPTA site
- Pedestrian bridge across Manoa Road as part of the Pennsy Trail extension
- Continued support of historic properties
- Funding for a formal energy efficiency & usage study
- Haverford/Lorraine/Hathaway Accessibility and Safety Improvements
- Installation of another electric vehicle charging station at the CREC
- Capital repairs and improvements at various Township facilities
- Fire and emergency medical apparatus
- Library improvements
- Burmont & Glendale Road realignment, Darby Creek Trail extension
- Wynnefield Drive stormwater mitigation study

# Future Planning & Wrap Up

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- Future considerations:
  - New Civilian Collective Bargaining Agreement – seeking approval in December
  - Requests for additional staffing – sustainability officer, for example (Part of Climate Action Plan. Not included in this budget proposal.)
  - Solid waste and recycling
  - Maintaining / improve existing facilities
  - Decisions on capital projects, including ongoing operating costs
  - Next steps in budget process – December 13, 2021
  - Comments, questions?