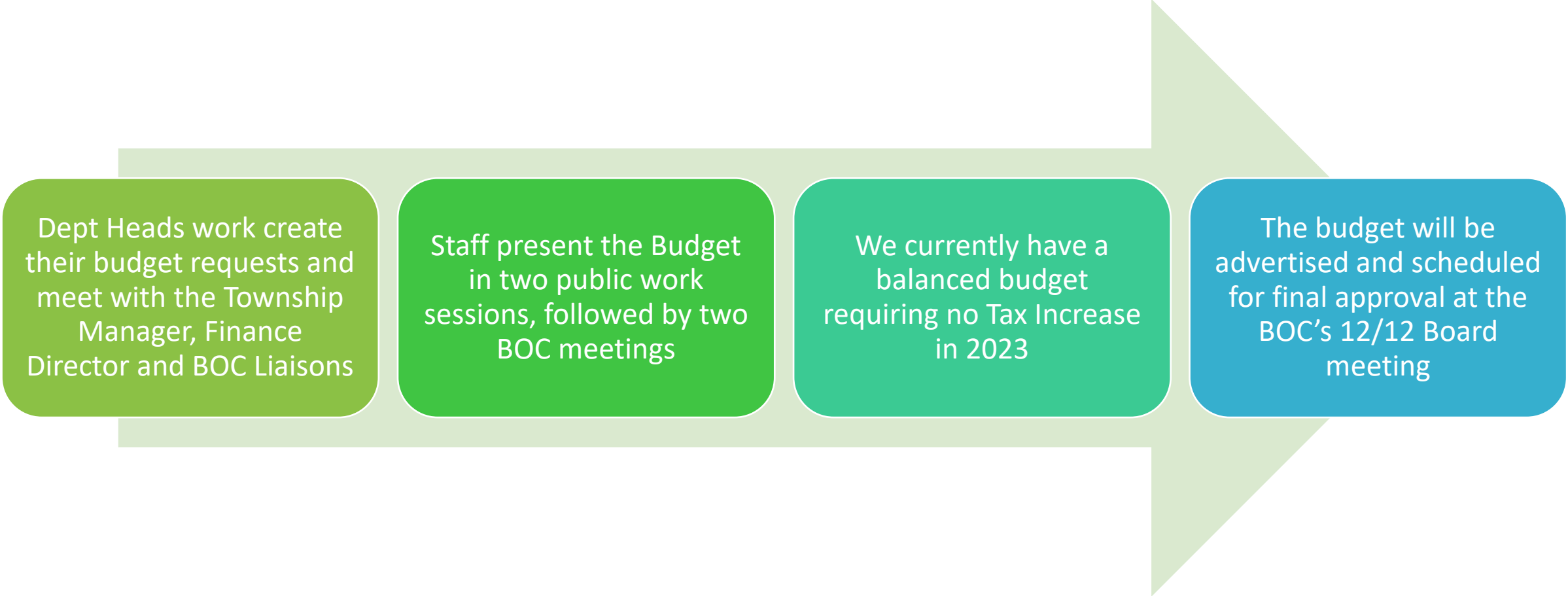




Budget 2022 Presentation

November 16, 2021

The Budget Process



Dept Heads work create their budget requests and meet with the Township Manager, Finance Director and BOC Liaisons

Staff present the Budget in two public works sessions, followed by two BOC meetings

We currently have a balanced budget requiring no Tax Increase in 2022

The budget will be advertised and scheduled for final approval at the BOC's 12/21 Board meeting

2021 Snapshot

Revenue and Expense Outcomes from 2021 Forecast



OUR REVENUE IS FORECAST
AT \$1.3 OVER BUDGET



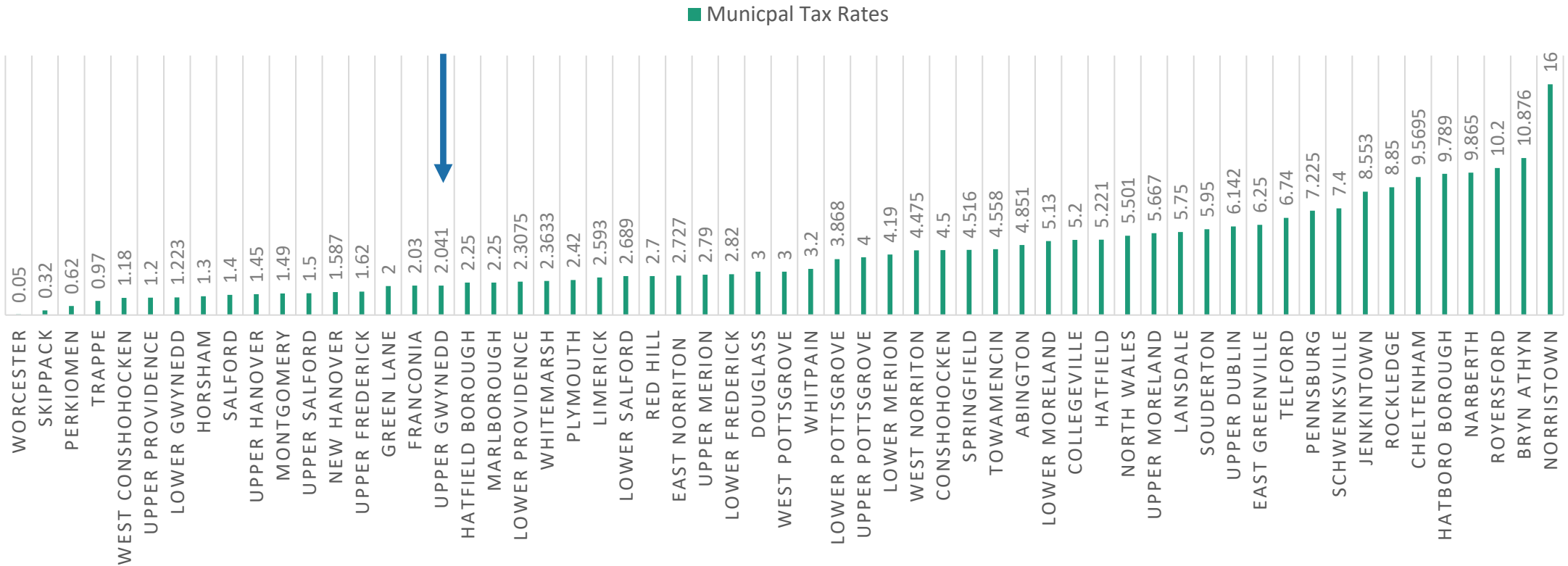
OUR SPENDING FORECAST AT
\$285,359 UNDER BUDGET

Why?

- COVID19 has far less of an impact on our revenues than we expected. Major factor is EIT& LST which is forecast \$925,000 over budget. RET (primarily Real Estate Transfer Tax) is \$159,852 over budget
- We will end the year with a \$21,473 surplus even after including a \$1.7 million suggested transfer to capital reserves.
 - Legal related to Zoning is under by \$88k
 - Mild Winter for snow led to \$98k less spent on OT and Salt
 - Savings in the Fire Marshalls office \$89k
 - Capital timing either early or into 2022 resulted in \$266k
 - Roads project under \$181k
- All of this is great news and enables us to plan for additional infrastructure projects in 2022.

No tax increase is proposed in 2022

MUNICIPAL TAX RATES IN MONTGOMERY COUNTY



Budget Appropriations By Fund

GENERAL FUND

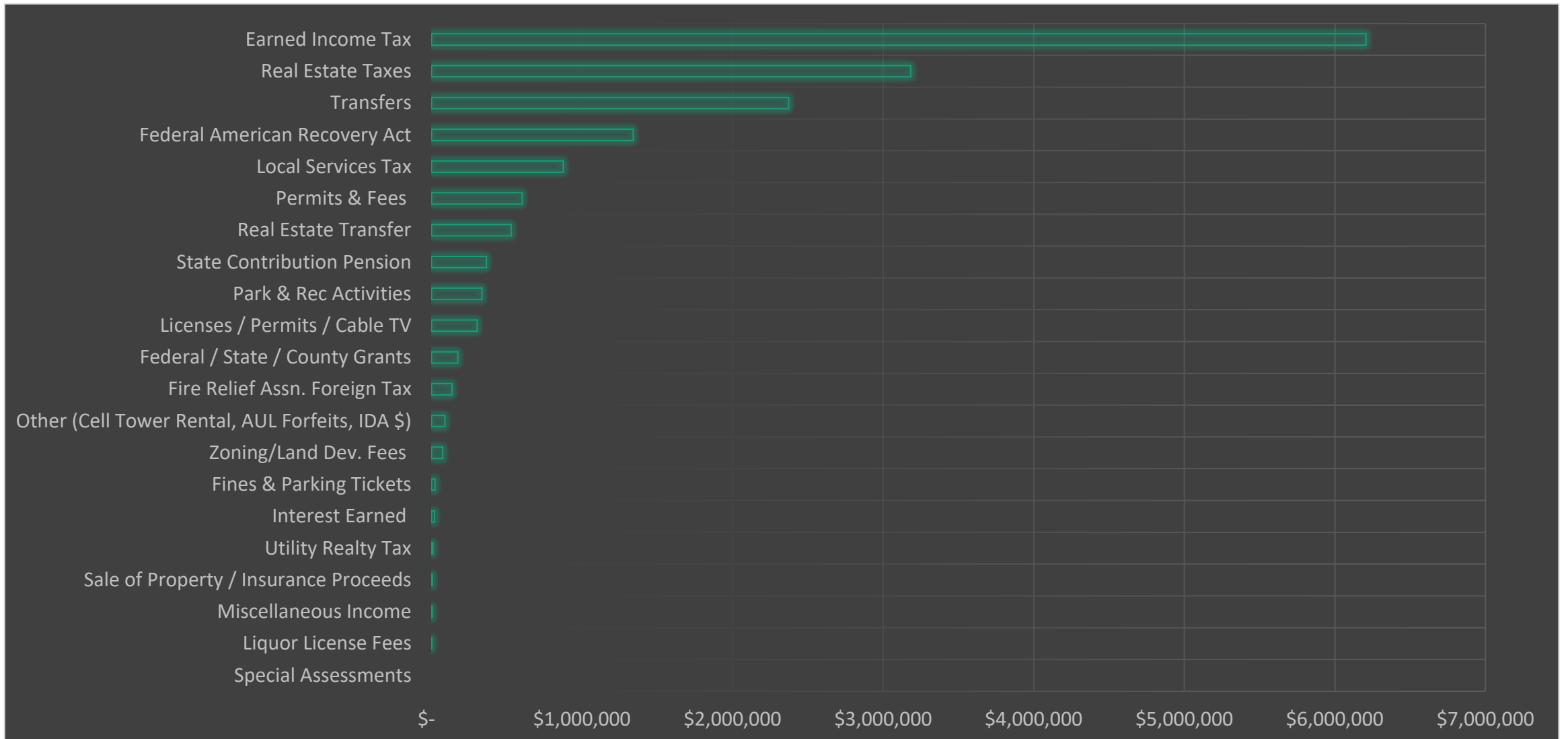
Revenue

Taxes	10,803,415
Inter-Fund Transfers	2,371,838
Federal / State / County Grants & Aid	2,016,461
Fees	680,180
Park & Recreation Activities	335,200
Licenses / Permits / Fines	328,152
Miscellaneous Income	101,500
Interest	21,300
Total Revenue	16,658,046

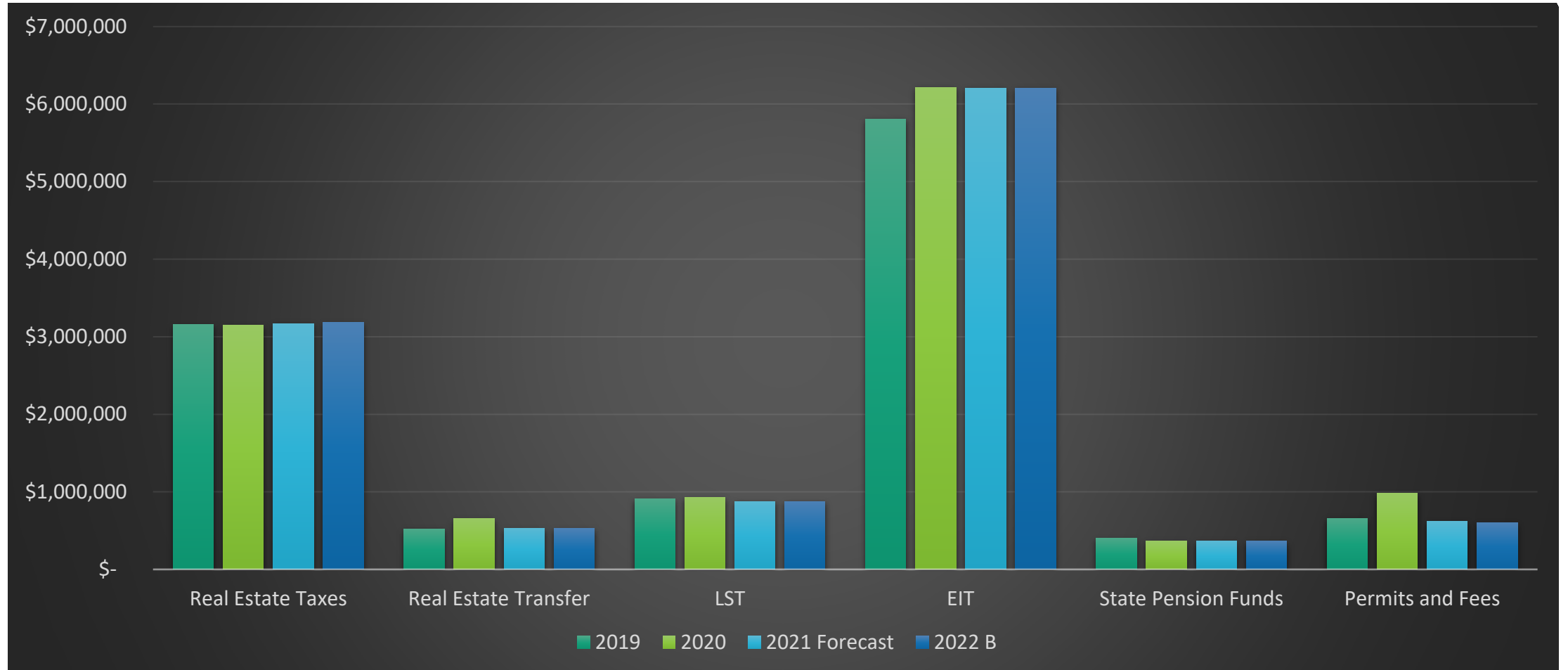
Expenses

Public Works / Park & Recreation	6,558,040
Police / Fire / Code Enforcement & Zoning	5,797,012
Administration / Tax Collector / IT / Township Facilities	2,476,923
Inter-Fund Transfers	946,700
Debt Service / Insurance	705,093
Surplus Reserve Appropriation	174,278
Total Expenses	16,658,046

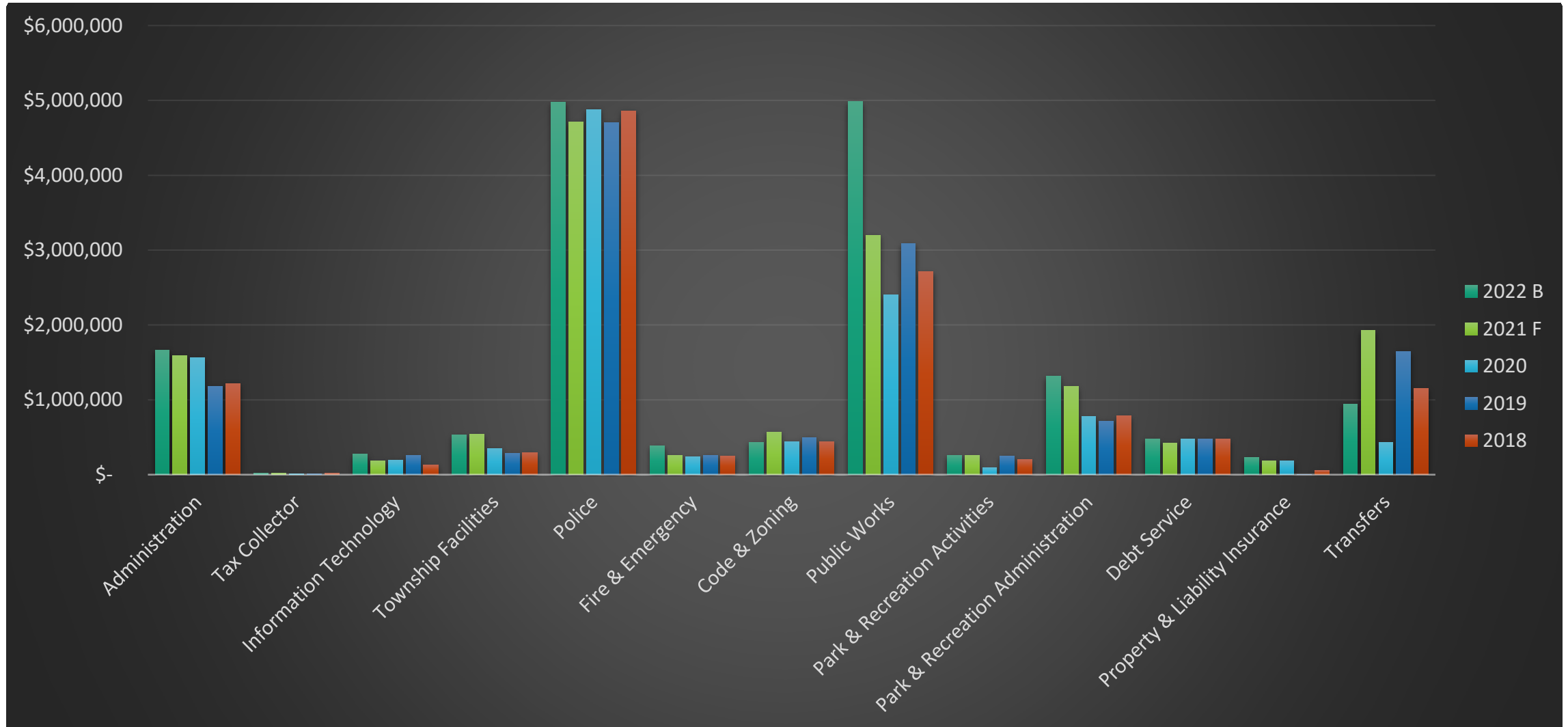
Total 2022 Revenue= \$ 16,658,046



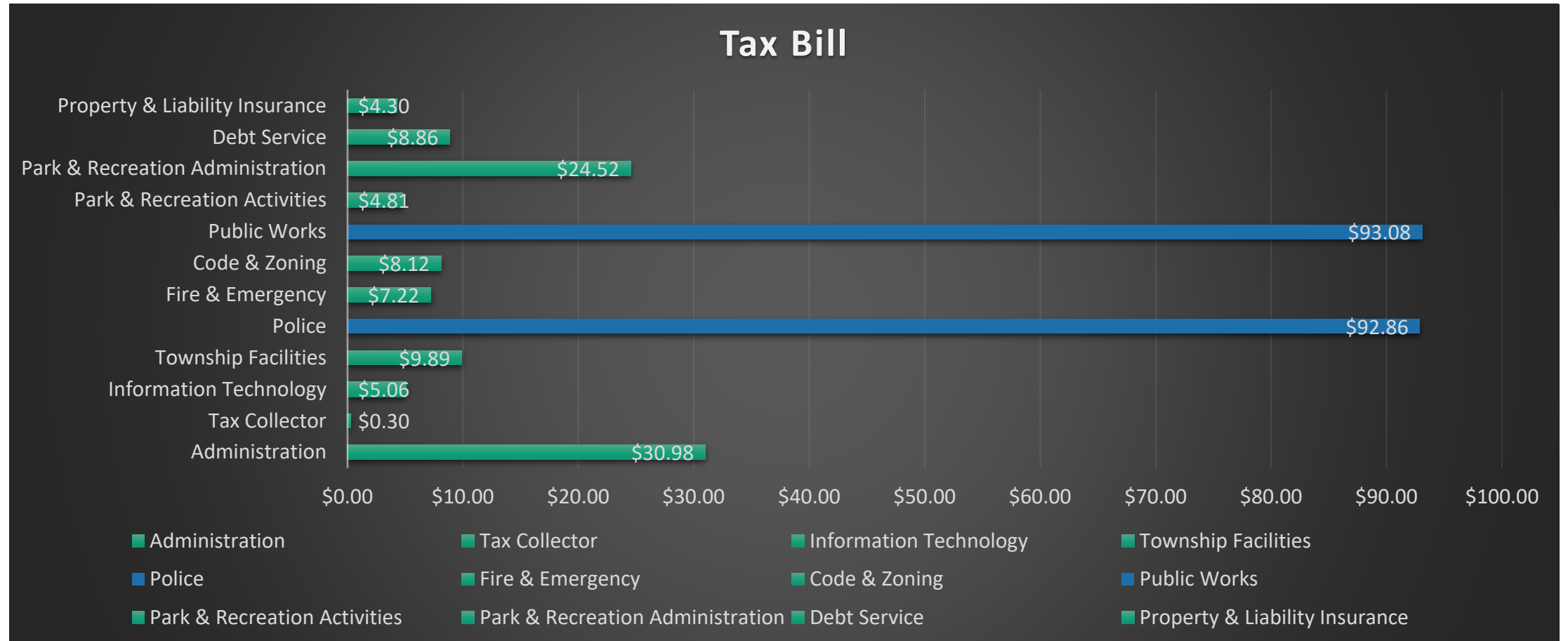
Three Year Comparison- Major sources GF Revenue



Total 2022 GF Expenses= \$15,537,068



Breaking down the average tax bill of \$290...



GF Operational Overview

- Full Time Fire Marshall/Emergency Management Coordinator
- Continued increased investment in IT
- Facilities upgrades for safety, compliance and transparency
- Upgraded Phone System for Admin Building
- Increased costs associated with Property Insurance due to high claim incidence (flood) and cyber reinsurance coverage
- Increased PD costs due to ladder increases and negotiated contractual salary obligations
- Budgeted for mid year hire of FTE for PW
- Continued increased spending on Tree Removal in Parks
- New Parks and Recreation Programming focusing on preschool and teens

WWTP Operational Overview

- No proposed rate increase
- Large increases across the board in chemical, gasoline, electricity, any operational cost to account for increased flow due to WIP Diversion Project
 - \$291k Chemical Increase
 - \$3500 Gas
 - \$25k Engineering
 - \$55k Electric
 - \$13K Instrument Maintenance
 - \$45k Chem Feed System Maintenance
 - \$120 K Sludge Hauling
- New Camera and Computers for Jet Truck, funding for WQIP
- LED lighting upgrade
- Reduced payment to TMA \$-774K

Fire Fund Operational Overview

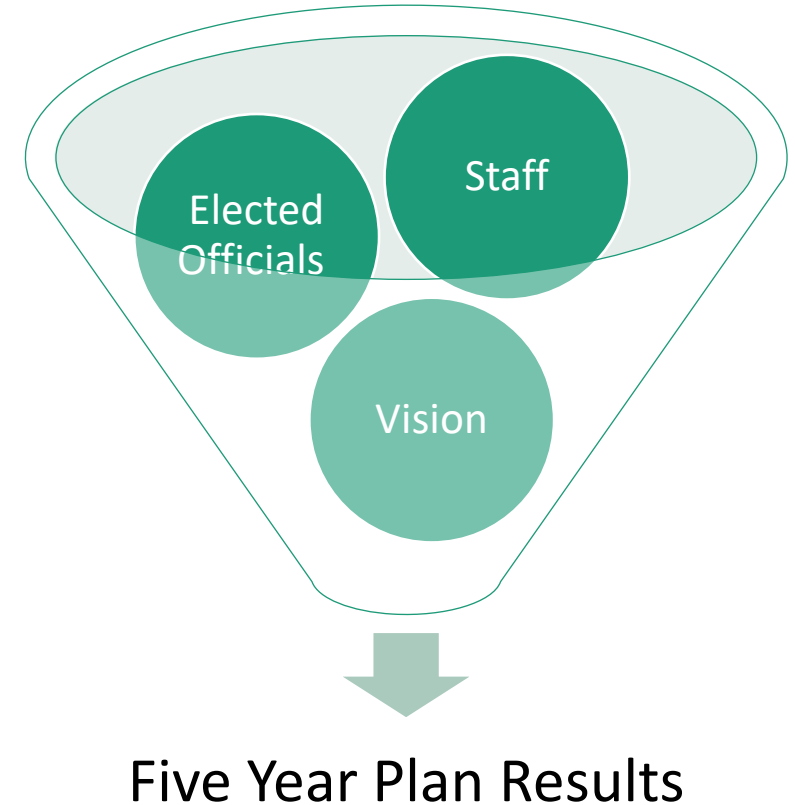
- Final Progress payment on new vehicles and sale of old vehicles
- \$3,000 increase of funding to Upper Gwynedd Fire Department for increased heating costs and medical equipment costs
- Reduced costs for service recognition
- \$18k budgeted for EMT training for Fire Department Members
- \$5k for Grant Writing services for Fire Department
- \$15k Budgeted in Funding to North Penn FD



Capital Projects

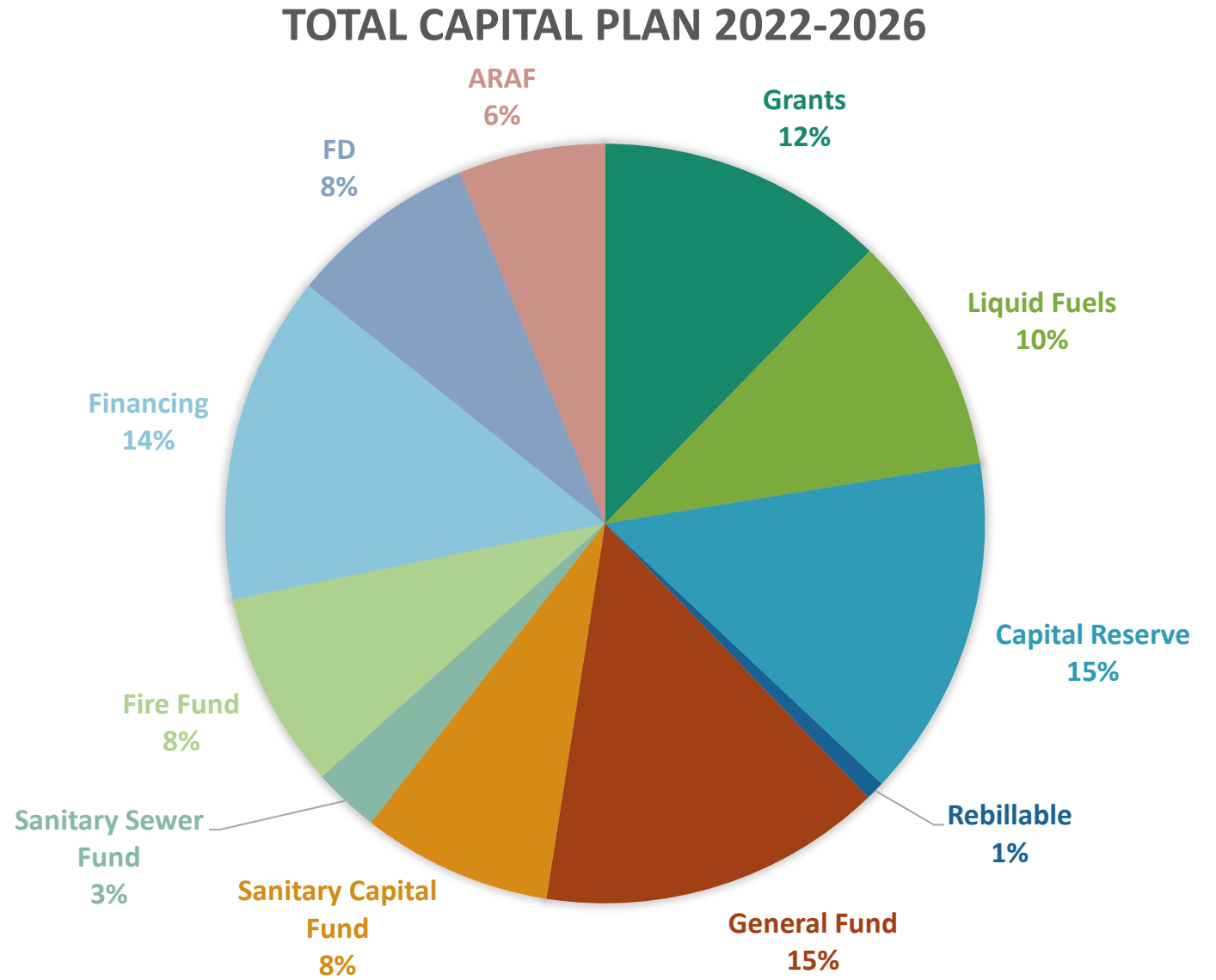
New Five-Year Capital Plan

GFOA recommends that state and local governments prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets



This planning resulting in the creation of a plan that includes proposed spending in the amount of \$25,038,491, with over 143 projects across seven departments including Administration, Facilities, Police, Public Works, Fire, Parks and Recreation and Wastewater. Funds will be sources from 11 different funding sources including Grants, Liquids Fuels, Capital Reserves, Rebillable Funds, the General Fund, Sewer Capital Fund, Sanitary Sewer Fund, Fire Fund, Fire Department Funds and Recovery Act Funding.

Capital Plan Funding Sources



The American Rescue Plan allocated \$350 billion nationally in emergency funding for state, local, territorial, and Tribal governments.

Allowable Uses:

- Responding to the COVID-19 emergency or addressing its negative economic impacts.
- Providing premium pay to eligible workers performing essential work.
- Lost revenue replacement for the provisions of government services due to the COVID-19 emergency.
- **Make necessary investments in water, sewer, and broadband infrastructure.**

American Recovery Act Funding

- UGT will be proposing utilizing that funding towards allowable Water and Sewer Infrastructure Costs.
- Our allocation totals \$1,563,795 in funding and we need to spend it by the end of 2024.
- ARA UGT Projects 2022 Stormwater totaling \$940,000:
 - Lining of Storm Sewers in the Villages
 - Stormwater Infrastructure Projects in Swedesford Estates and Oakland/Meadowbrook Neighborhoods
 - Newport Basin Restoration
- ARA WWTP Projects 2022 totaling \$400,000:
 - Clarifier 3 Rebuild project Phase 1
 - Phase 2 completes the project in 2023 (\$223,795 plus \$176,205 WWTP Capital Reserve)



Theme 2021: Infrastructure Investment Planning

- Sunnytown Pike Bridge, unassuming but mighty cost with replacement estimated at \$2.5 million
- Built in 1927
- Currently our Township Engineer is completing an assessment of the Bridge and we have submitted grant applications to help fund the project costs



Theme 2022: Infrastructure Investment Planning

- Haines Run Streambank Restoration is necessary to help prevent a breach like you see in this picture
- Haines Run Streambank Restoration \$1.4M (potential grants with DCNR \$90K, DCED \$376K, DEP \$718K) - 2022 \$686,716 regrading & streambank stabilization - 2023 \$592,565 final construction & inspection - 2022 TWP share 'from Capital Reserves till grant availability determined

Other Capital Projects 2022

- Gate and Fencing around PD and PW
- Security improvements in our Township Building and Meeting Room improvements
- Roof Repairs Admin Building
- In Car Camera Upgrades
- Pole Barn Construction
- Open Space Management Plan
- Continued focus on I and I in WWTP
- Montco 2040 Pedestrian Safety Improvements
- DVRPC Streetlight Procurement

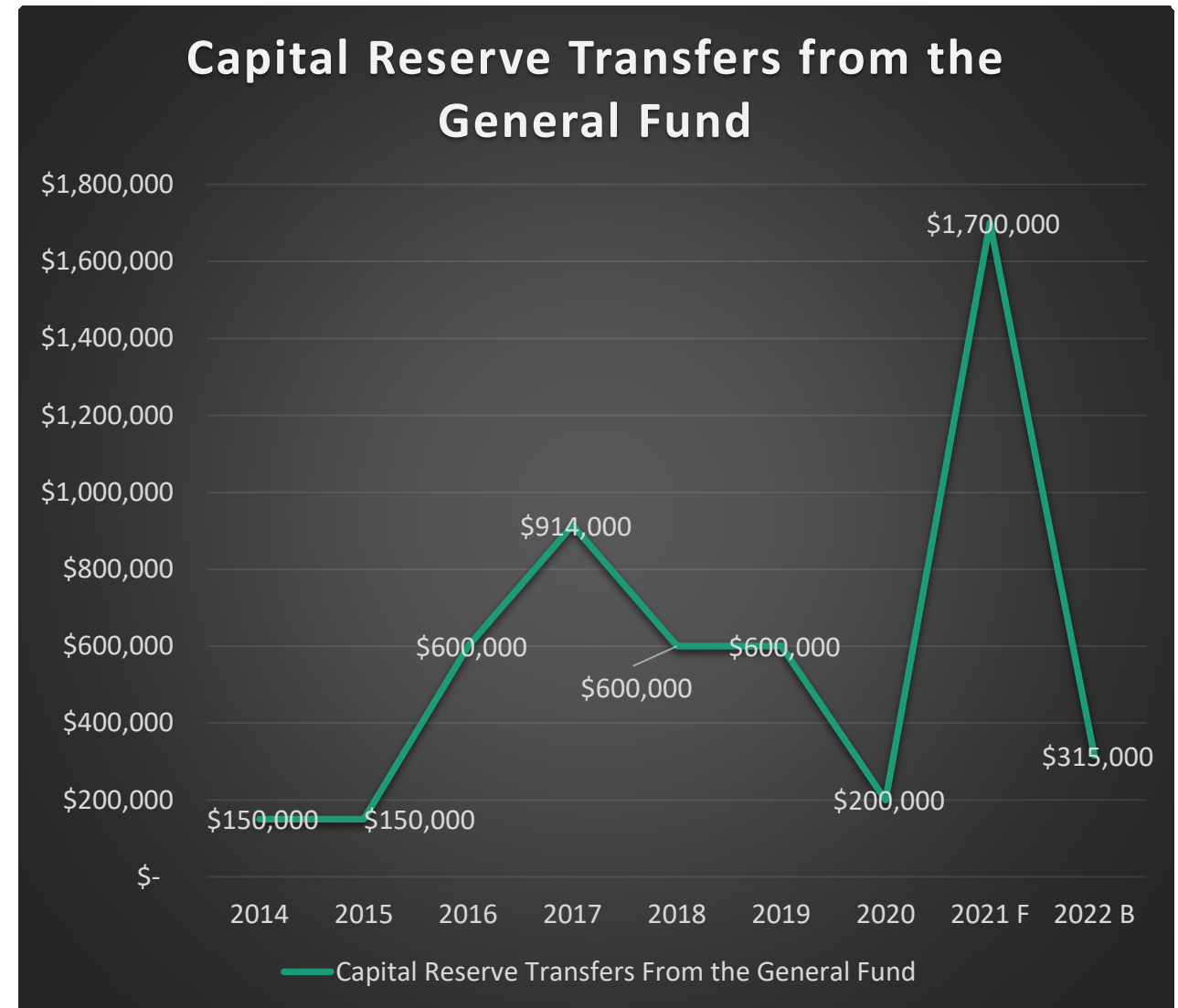
- Vehicles
 - One ton Dump Truck Replacement (2004)
 - Patrol Car PD
 - Snow Removal Equipment for Trails/Sidewalks
 - Replace 1999 Gator
 - Replace 2008 Crane Truck

2022 Roads Program

- [Roads Map](#)
 - Microsurfacing:
 - Blue Fox Dr., Patterson Dr., Mifflin Dr., Steuben Dr., Huntingdon Pl., Smallwood Place, Sullivan Dr.
 - ADA ramps for 2023 Roadways
-
- Mill and Overlay:
 - Broad St (Garfield to Sumneytown), Harper Ln, Hemlock Circle, Mendham Dr., North Ln., Porters Dr., Pullman Dr., Shearer St. (West to North Wales Rd), Spruce Circle, Station Dr., Woodford Ln,, Second St., Third St., Fouth St., Chestnut St., Jones Ave., Sumneytown Pike @ Allentown Road, Supplee Pl., Supplee Rd., Quinn Ln, Oak St.

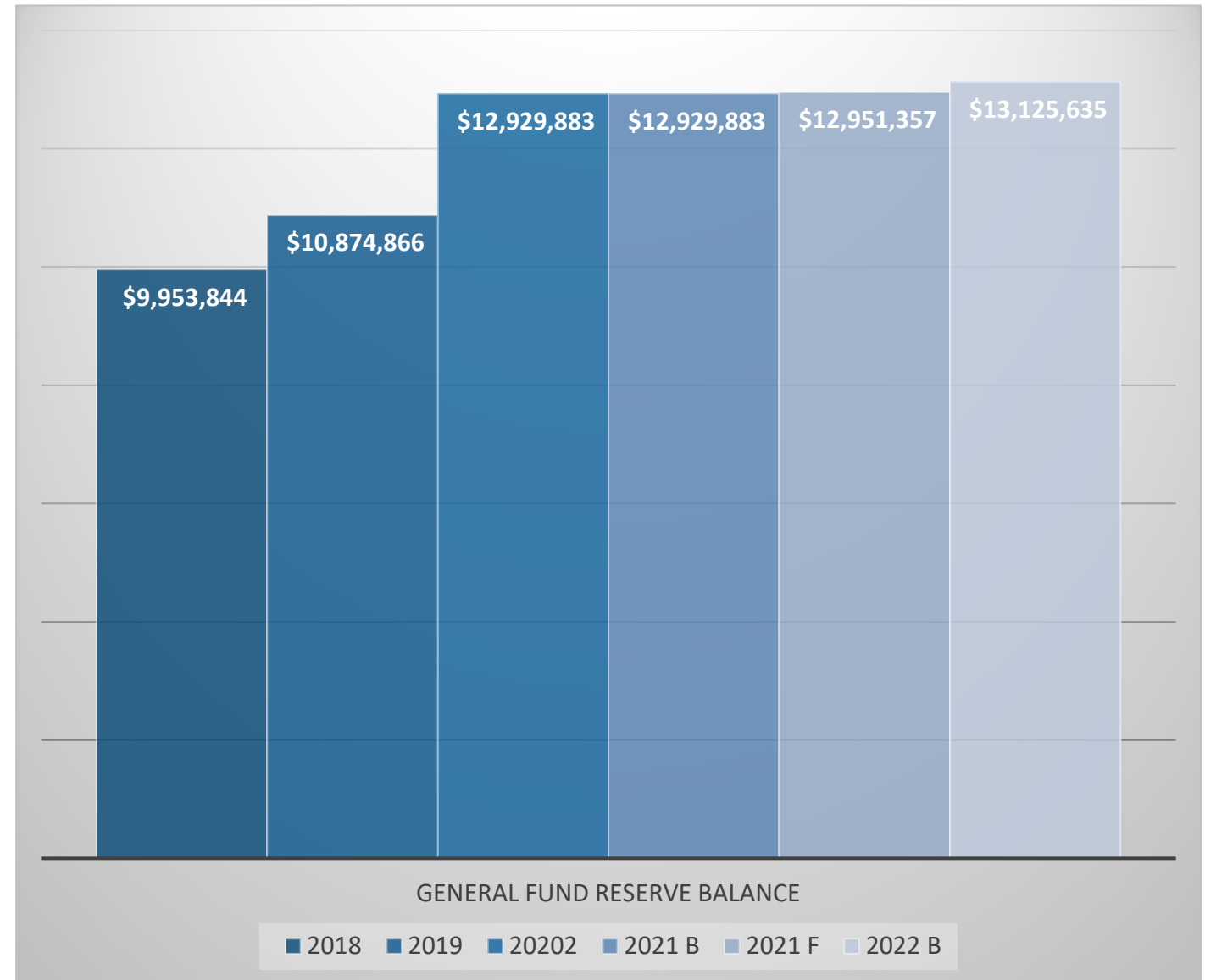
Transfers to Capital Reserve

- In 2022 we are budgeting a \$315,000 transfer to capital reserves and a \$1,700,000 transfer of surplus from 2021 to capital reserve.
- This aggressive funding level will enable us to complete projects the projects planned for in our five-year plan.
- We will need to maintain a \$315,000 transfer each year to keep up with the funding level for those projects.



2022 Projected General Fund Reserve Balance

- Reserves are in place to help fund the gap during hard times
- Minimum recommended reserve is 3 months of expense
- This trend since 2018 has represented about 9.5-12.9 months of spending in reserve
- 2022 Budget as it stands today would leave us with 9.9 months of spending in reserves, and a very strongly funded capital reserve fund.





Debt Service

- Township's debt ratio is extremely low
- Borrowing base as of 11/23/20 is \$21,521,214 and non electoral borrowing base is \$53,803,035--- current total debt is \$9,939,985
- Refinanced 2016 Note in 2020 with 2020 Loan keeping same term of 2026 reducing interest rate to 1.14% from 2.32%



Upper Gwynedd Township remains in stable a financial position for 2022 and into the future

Questions