



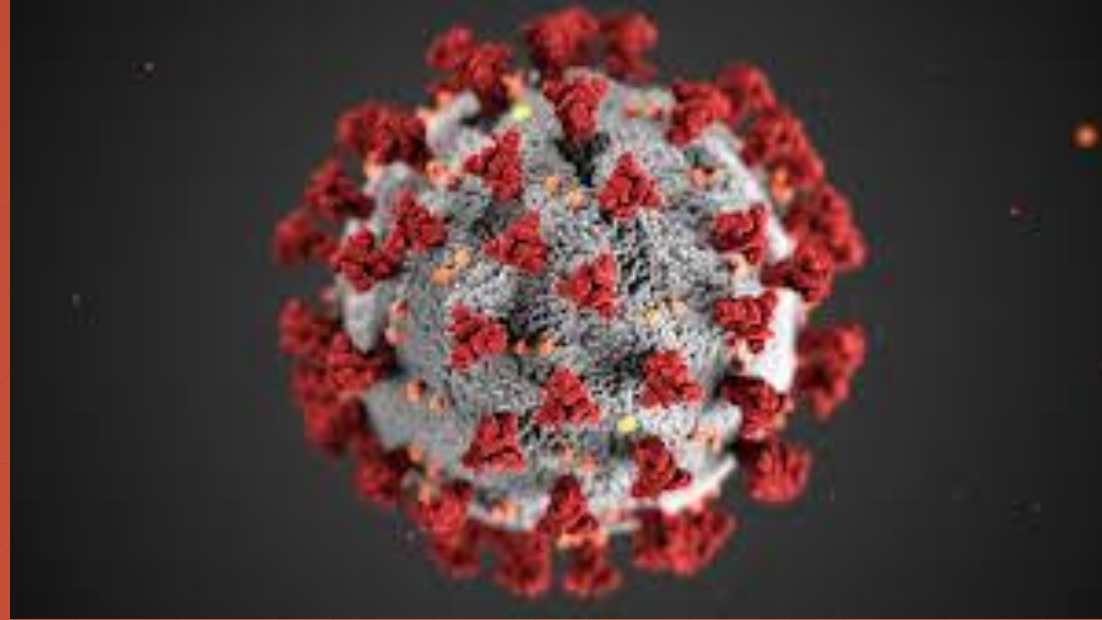
Lower Frederick Township

2021 Budget Presentation

October 27, 2020

Budget Time Line

- ~~October 6th: 2021 Manager's Budget Introduction~~
 - October 27th: 2021 Manager's Budget Presentation
 - November 4th: Tentative Adoption of the 2021 Township Budget
 - November 5th: Budget available for public review at the township building & Advertise
 - December 1st: Final Adoption the 2021 Budget
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Covid-19

Effects on the budget

- Berkheimer, who collects the Earned Income Tax (EIT) for the township, is still expecting EIT collections to be down between \$3,800 - \$4,200 a month. We will plan on being very conservative in our 2021 estimates
 - EIT collections are about a quarter of the year behind so our initial EIT payments in 2020 were still being collected from 2019.
 - In planning for 2021 there are still many unknowns that could impact the EIT collections.
 1. How many employees will be called back to work as the restrictions are eased?
 2. How many employees were called back to work and paid due to loans under the Paycheck Protection Program but will be laid off if that money runs out?
 3. What is the long-term economic impact?
 4. How many businesses will never reopen, and how many jobs have been permanently lost?
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General Fund 2020

Revenue in the 2020 General Fund

- Real Estate Tax collections are on par with past years
 - Real Estate Transfer Tax has been very strong with the township seeing many homes sold during the year
 - Earned Income Tax is expected to be our revenue most impacted by the Covid19 pandemic. We continue to keep a close eye on these numbers and are seeing just a slight decrease from our 2019 earnings.
 - Cable Franchise fees are continuing to decrease as more and more residents stop purchasing cable subscriptions.
 - Permits for building and zoning are over budget: many residents did home improvement projects while they stayed home and we had several new homes built in 2020.
 - Overall we are expecting the revenue to be slightly higher than budgeted in 2020.
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Expenditures in the 2020 General Fund

- Due to the Covid-19 Pandemic
 - Line-painting was not completed
 - We did not hire a Part-time Parks Employee
 - The township staff took a very conservative approach to spending money and tried to save wherever we could
 - We shopped the market for Property and Liability Insurance and found a policy with better coverage at a lower cost.
 - Other areas where we have accomplished a savings are: engineering, legal fees, ice & snow removal
 - Overages are seen in the building inspector group and many of the budget groups are very close to the projected.
 - Expenditures will come in under budget for 2020
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General Fund 2021

2021 General Fund Revenue

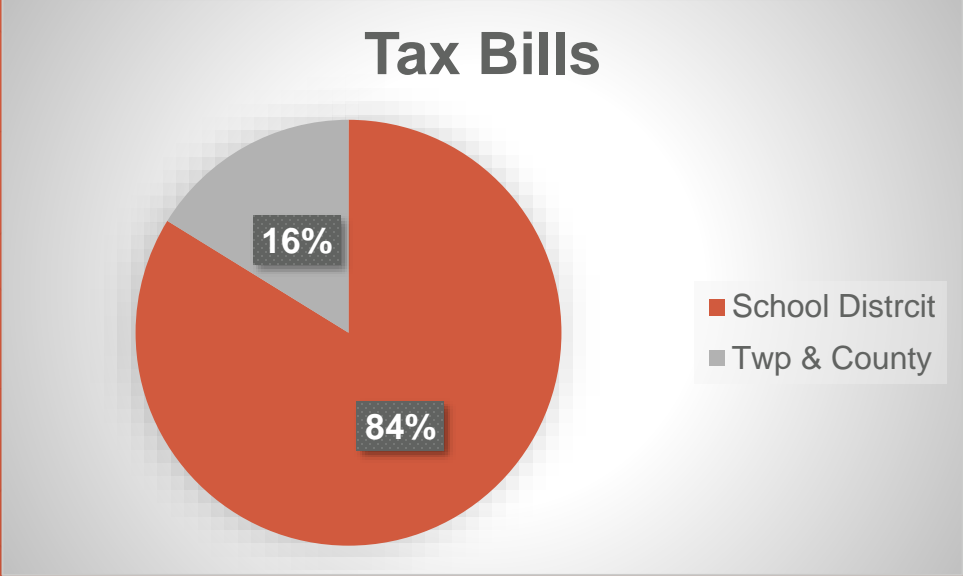
- Expect Revenue to be flat with decreases in:
 - Earned Income Tax – Due to Covid-19
 - Permits – New home construction will be lower
 - Real-estate Transfer Tax - is expected to slow down
 - Cable Franchise Agreements – Continue to decrease as residents move to online only
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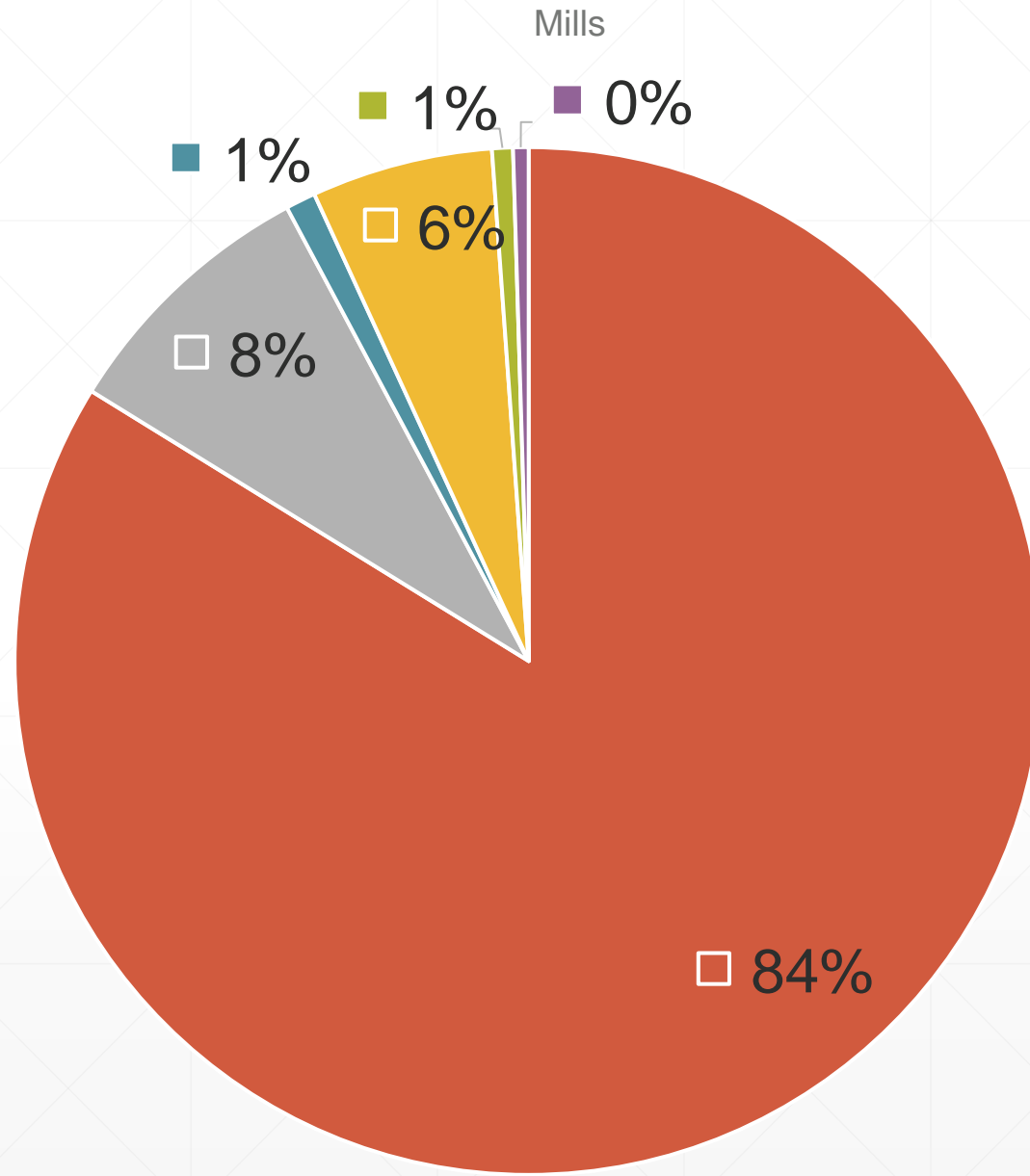
Total Taxes paid by a resident on a Home Assessed at
 \$130,027 = \$5,355.00

\$130,027 is the average assessment for a property in
 Lower Frederick Township

Organization	Mills	Total Tax
School District	34.51	\$4,487.00
Montgomery County	3.46	\$450.00
Mont. County CC	.39	\$51.00
Lower Frederick Twp	2.35	\$306.00
LFT Fire Company	.27	\$35
Ambulance	.20	\$26
	Total	\$5,355.00

Average Taxes Paid by Lower Frederick Township Residents





- School District
- Montgomery County
- Mont. County CC
- Lower Frederick
- LFT Fire Company
- Ambulance

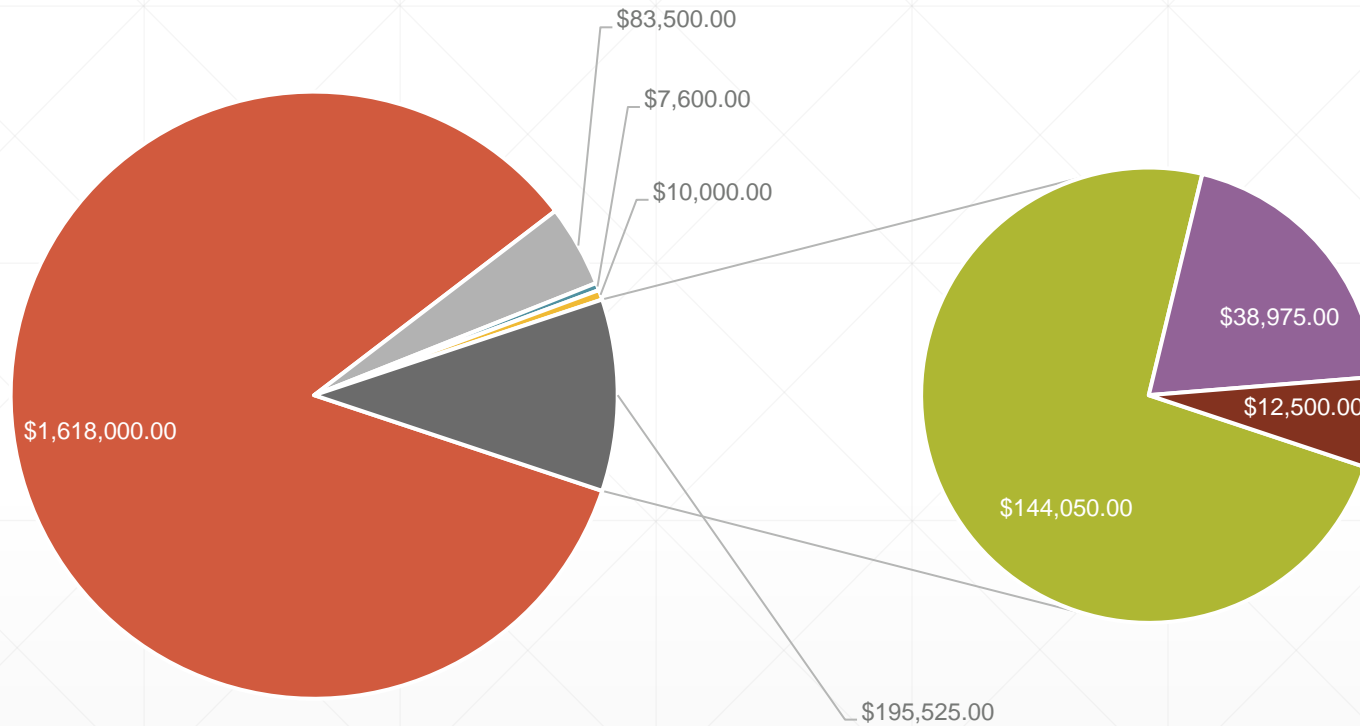
Real Estate Property Tax

- Lower Frederick Township, 2.35 Mills Average Bill: \$306.00
- Lower Frederick Fire Tax, .27 Mills Average Bill: \$ 35.00
- Ambulance Tax, .20 Mills Average Bill: \$ 26.00
- Total average property tax bill \$367.00/avg home
- Total collections expected in 2021: **\$600,000**

Earned Income Payroll Tax

- The township collects ½ of a percent from residents earnings
 - Total collections expected in 2021: **\$800,000**
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Expected Revenue 2021



- Taxes
- Licenses & Permits
- Fines and Forfeits
- Interest
- Intergovernmental
- Charges for Services
- Miscellaneous Revenue

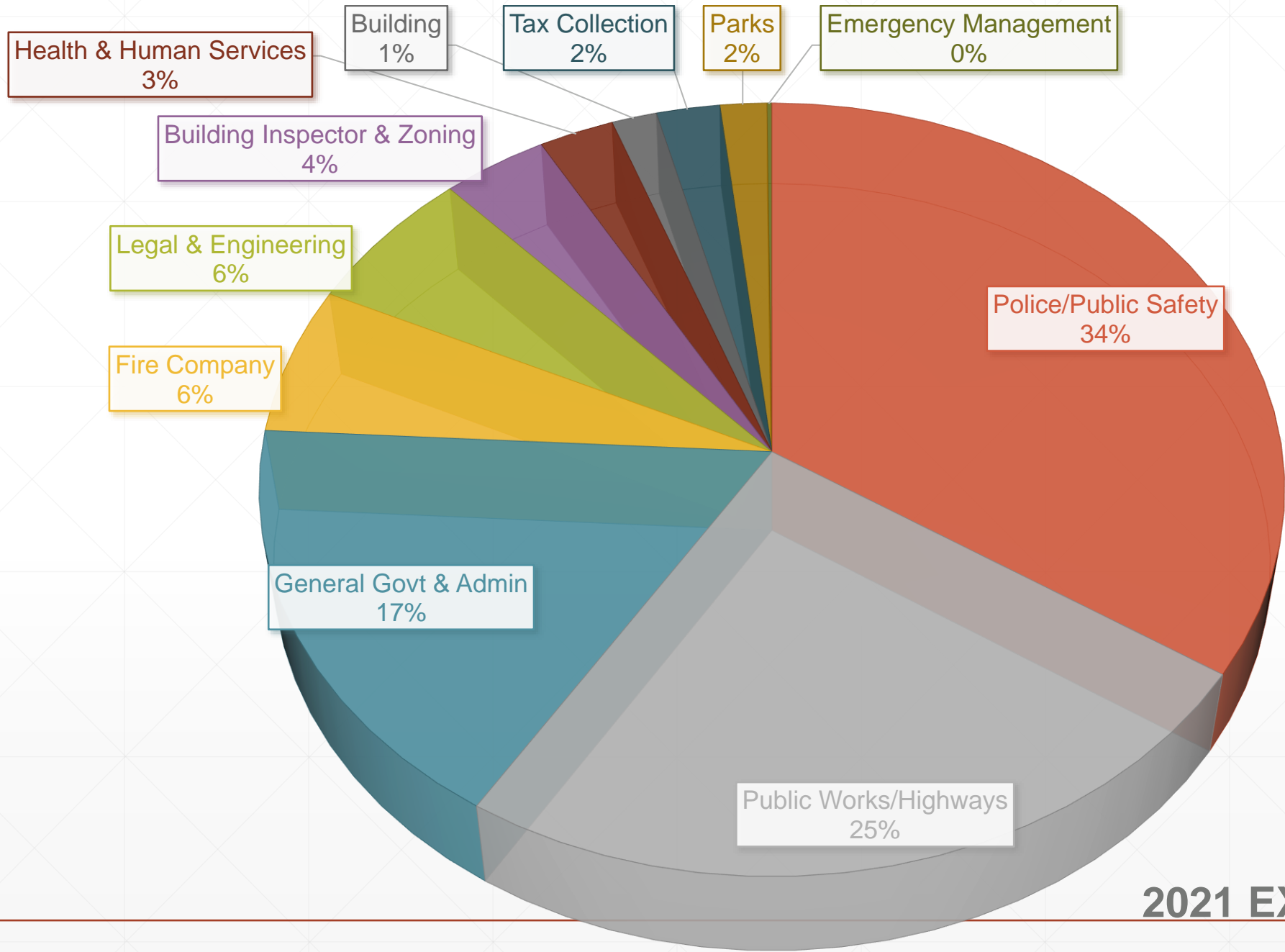
Expected Revenue 2021	
Taxes	\$1,618,000.00
Licenses & Permits	\$83,500.00
Fines and Forfeits	\$7,600.00
Interest	\$10,000.00
Intergovernmental	\$144,050.00
Charges for Services	\$38,975.00
Miscellaneous Revenue	\$12,500.00
Total	\$1,914,625.00

2021 General Fund

- Expenditures that we are looking at for 2021:
 - Working with the Park Board for park improvements and programming in 2021
 - Line Painting
 - Body Cameras for the Police Department
 - Have ideas for a grant that may help defer some of the cost of these cameras
 - Need to update our MS4 Stormwater Ordinance
 - Updating our storm sewer Map
 - Review and update outdated Ordinances
 - Swamp Creek Culvert – Grant
 - Emergency Generator for the Township Building including police and ambulance areas
 - Roads to pave and repair
 - Continue to remove Dead Ash Trees from township parks
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Expenditures

Line Item Categories	Budgeted Amount
Police/Public Safety	\$703,850.00
Public Works/Highways	\$505,730.00
General Govt & Admin	\$348,965.00
Fire Company	\$126,625.00
Legal & Engineering	\$125,500.00
Building Inspector & Zoning	\$75,360.00
Health & Human Services	\$53,500.00
Building	\$32,250.00
Tax Collection	\$45,200.00
Parks	\$33,360.00
Emergency Management	\$3,410.00
Total:	\$2,053,750.00



2021 EXPENDITURES

General Fund

- Expected 2021 Revenue: \$1,914,625.00
 - Expected 2021 Expenditures: \$2,053,750.00

 - Budget Deficit: \$ 139,125.00

 - As of October 2nd, the township had \$1,676,652.35 in reserves. LFT can consider utilizing reserves to cover the anticipated budget deficit.
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Sewer Fund

2020 Sewer Fund: End of year

- Revenue
 - Sewer Connection fees budget was \$110,000. We are currently at \$148,105
 - Sewer Rent has been consistent with past years, we expect to end at budget \$760,000
 - Total Budgeted Revenue for 2020 was \$909,448 and estimate end of year at \$956,197
 - Expenses
 - Savings shown with the sewer loan refinance
 - Expect sludge hauling to end the year significantly lower than budgeted
 - All other line items are expected to end near budgeted numbers
 - 2020 Sewer Budget, if we receive our Grant refund, which has been submitted, will end the year even or slightly positive.
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2021 Sewer Fund Income

- **1,100 Sewer Customers**
 - **\$175.00 per Quarter**
 - **\$700.00 per Year**
 - **\$770,000 Sewer Rent per Year**

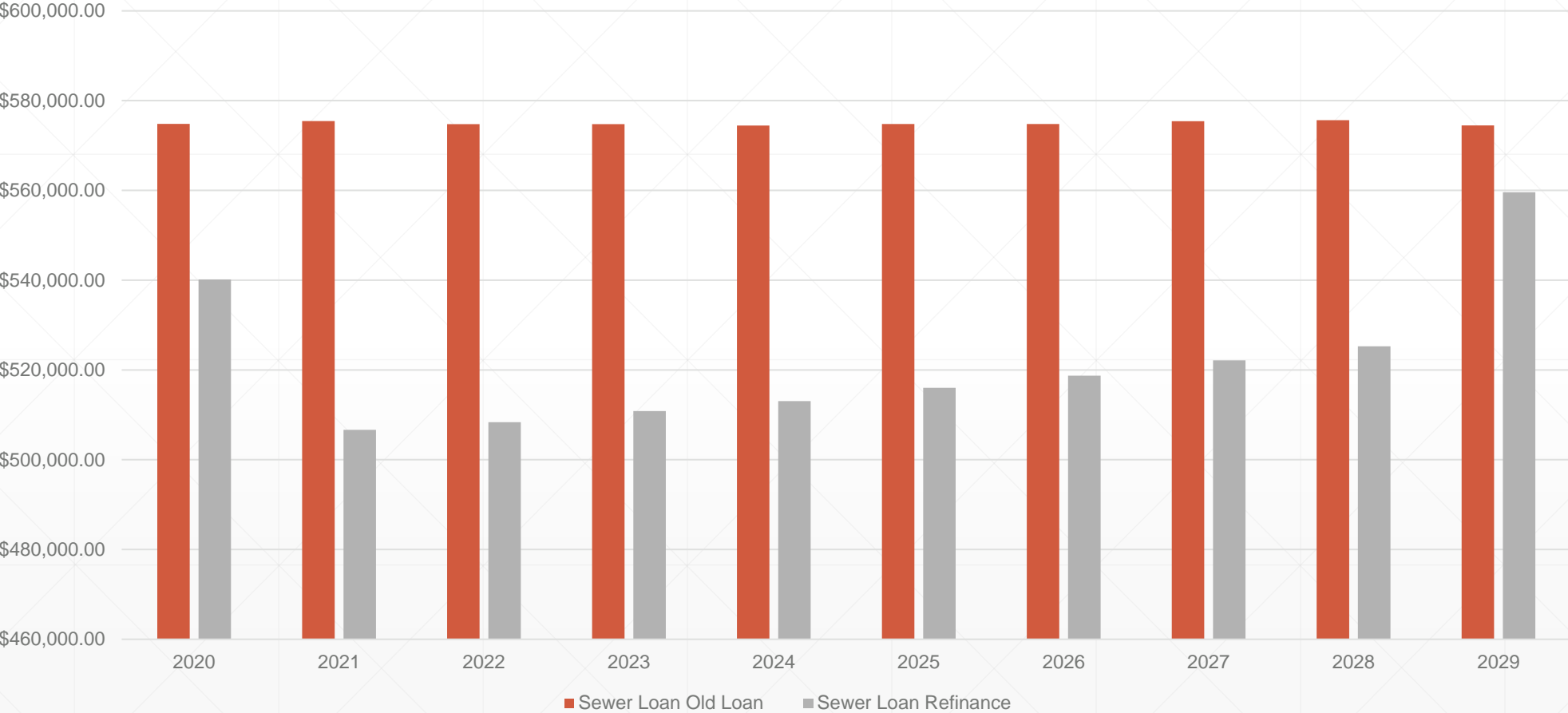
 - **New Customers Connection Fee**
 - **New EDU is \$7,405.26**
 - **Budgeting for three new EDUs in 2021**
 - **\$22,215.78 In Connection Fees**
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2021 Sewer Fund Expenses

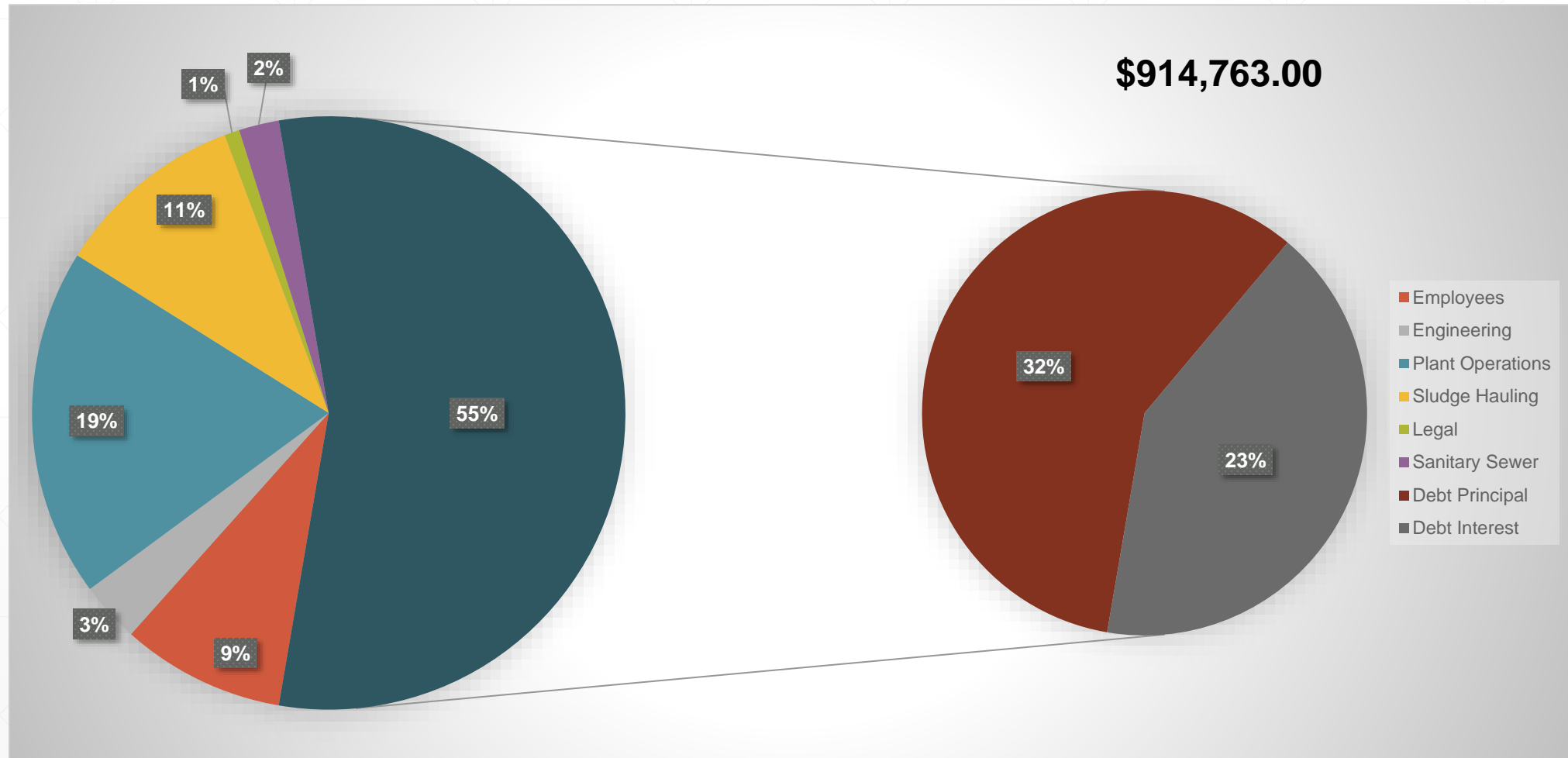
- Sewer Loan is a major expense each year
 - In 2020 we refinanced loan for lower payments
 - In 2021 our loan payment will be approximately \$70,000 less
 - Our 2021 loan payment will be \$506,663.25
 - Waste Water Treatment Plant
 - In 2020 we hired a new waste water engineer
 - Our major costs for the waste water treatment plant are
 - Sludge Hauling
 - Has been consistent this year and will show a significant saving from the budgeted estimate
 - Chemicals
 - We are in the process of reviewing our chemical usage at the plant
 - Utilities
 - We are considering an RFP from electric companies to explore savings opportunities
 - Repair and Maintenance
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Sewer Loan

Original Loan vs Refinanced Loan



Total Expected 2021 Sewer Fund Expenditures



2021 Sewer Fund

Revenue		Expenditures	
Sewer Rent	\$760,000	Employees	\$81,550
Sewer Connections	\$22,000	Engineering	\$30,000
Interest	\$2,500	Plant Operations	\$174,050
Charges for Service	\$500.00	Sludge Hauling	\$95,000
Other Income	\$3,500	Legal	\$7,500
		Sanitary Sewer	\$20,000
		Debt Principal	\$296,000
		Debt Interest	\$210,663
Total Revenue	\$793,500	Total Expenses	\$914,763

With current budget projections the Sewer Fund will have a \$121,263 deficit in 2021.

Liquid Fuels

Liquid Fuels

- 2020
 - Pave: Evergreen Road (In-house labor)
 - Pave: Schwenk Road (Using Equipment Bid Contractor)
 - 2021
 - Pave: Second Ave, Woodside Ave and Third Ave
 - Salt Purchases for Snow Removal
 - Purchase a Dump Truck -
 - Five year lease to own or Five year loan
 - 2022
 - By doing smaller projects we will have enough money saved in our Liquid Fuels Fund to do a significant project in 2022
 - Continue payments for Dump Truck and Salt purchases
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Questions

