

**BUDGET MESSAGE**  
**TOTAL 2013 PROPOSED BUDGET**

In accordance with Article XVII of the First Class Township Code, I am pleased to submit the 2013 Proposed Budget. As presented, the Proposed Budget allows Salisbury Township to continue to deliver quality services to its residents and businesses without the need to increase taxes as proposed. **(REVISED BOC INCREASE 10%)**

The 2013 Proposed Operating Budget details an \$11,859,708 spending Plan for all Funds. This represents a \$489,281 or 4.3% increase over projected 2012 Budget. The total Operating and Non-operating expenditures(\$1,333,100) for 2013 are \$13,192,808. **BOC will consider approving a Budget on 12/27/12 changed the Proposed Budget as Follows:** Total Funds- \$11,243,150 or 5.1% over projected 2012 Budget.

The 2013 Proposed Budget **maintains** the Township’s property tax rate at 2012 levels. The final millage will reflect the new reassessment values as set by the County. The proposed Tax Levies are broken down as follows:

**BOC approved Budget increased the Tax rate as follows:**

**Real Estate Tax**

3.09 Mills – General Fund  
0.55 Mills – Fire Fund  
0.18 Mills – Library Fund (Referendum)

**3.82 Total Mills for the 2012 Fiscal Year**

This Levy equates to an annual tax of **\$856,82** for a taxpayer with a property valued at \$224,300, the median housing value in Salisbury Township

**ESTIMATED NEW ASSESSMENT**

Initial Reassessment value from County- 1,326,645,300. Based on 100% of Market Value.

New Millage will be adjusted proportionally. Cannot exceed 10% of prior year value.

**ESTIMATED REVISED MILLAGE**

|                 |                |                |
|-----------------|----------------|----------------|
|                 | PROP           | <b>REVISED</b> |
| GF-             | 1.04498        | <b>1.15155</b> |
| FIRE-           | 0.18600        | <b>.20861</b>  |
| <u>LIBRARY-</u> | <u>0.06087</u> | <u>0.06987</u> |
| TOTAL           | 1.29185        | <b>1.42103</b> |

AVG ASSESSMENT-\$232,400-\$300.70/yr taxes  
**REVISED BOC ESTIMATED \$330.70**

**OTHER TAXES**

**Earned Income Tax** – 0.5% (1%) shared with STSD.

**Local Service Tax (LST)** – \$52-(Township \$47- Salisbury School District Shares \$5-Formerly EMST)

**Realty Transfer Tax** – 1.0%

**Mechanical Services Tax** – \$100  
Average Assessment Value-\$77,376  
The same property owner pays **\$295.57** to the Township, **\$2,242** to the Salisbury School District and **\$793** to Lehigh County.

Based on old assessments the following tax revenue would be realized:

Assessment- **\$449,148,550.**  
(2012)(OLD)Based on 50% of FMV.

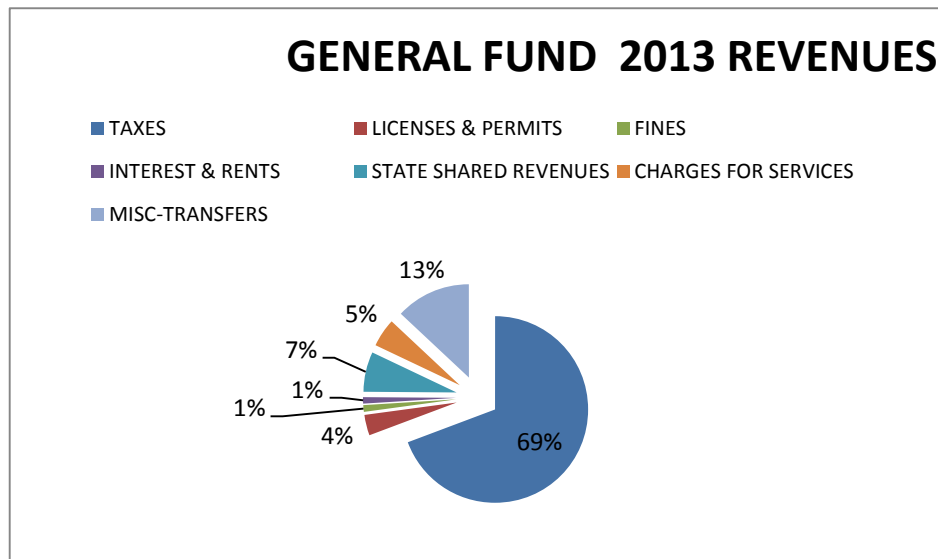
|           |           |
|-----------|-----------|
| 1.0- Mill | \$439,000 |
| 0.5- Mill | \$219,000 |
| 0.3 Mill  | \$130,000 |

**(01) GENERAL FUND BUDGET**

The Township expects to realize **\$5,816,300** in Revenues. This represents a \$207,000 or **3.4% decrease** from 2012 projections. Expenditures are proposed at **\$6,098,608**. This represents a **4.1% increase** from 2012 projections. Initially, Department Heads and Staff presented a Budget that contained a **\$443,807(7.5% inc.)** shortfall. The Manager’s recommended budget reflects cuts predominantly to public safety budget, which had requested two (2) additional officers. If the Board will reinstate those positions a tax increase will be necessary to sustain that action. **(BOC Revised Budget Revenues- \$5,952,700)**

The predominant source of revenue comes from Taxes. Earned Income Tax brings in approximately **1,9** million and represents 47% of the Tax Revenue or 32% of Total Revenue. **Real Estate** brings in approximately **1,37** million and represents 34% of the Tax Revenue or 24% of Total Revenue. Other Taxes such as the **Realty Transfer Tax(\$320,000)**, **Local Service Tax(\$440,000)**, combined(\$760,000), represent 19% of the Tax Revenue or 13% of the Total Fund Revenue. Combined Taxes represent 69% of Total Revenue. The remainder of the Revenue stream is made up of License & Permits(207,600-4%), Fines & Forfeits(67,000- 1%), Interest & Rents(64,400-1%), State Shared Revenues(402,800-7%), Charges for Services(286,700-5%), Miscellaneous-Transfers-Other Revenue(757,900-13%)

**GENERAL FUND REVENUES**



|                               |                     |                                |
|-------------------------------|---------------------|--------------------------------|
| <b>TAXES</b>                  | <b>\$ 4,030,000</b> | <b>REVISED BOC \$4,170,000</b> |
| <b>SANITATION FEES</b>        | <b>\$ 1,000</b>     |                                |
| <b>LICENSES &amp; PERMITS</b> | <b>\$ 207,600</b>   |                                |
| <b>FINES</b>                  | <b>\$ 67,000</b>    |                                |
| <b>INTEREST &amp; RENTS</b>   | <b>\$ 64,400</b>    |                                |
| <b>STATE SHARED REVENUES</b>  | <b>\$ 402,700</b>   | <b>REVISED BOC \$399,100</b>   |
| <b>CHARGES FOR SERVICES</b>   | <b>\$ 285,700</b>   |                                |
| <b>MISCELLANEOUS</b>          | <b>\$ 97,300</b>    |                                |
| <b>INTERFUND TRANSFERS</b>    | <b>\$ 547,600</b>   |                                |
| <b>PRIOR YEAR EXP</b>         | <b>\$ 100,000</b>   | <b>REVISED BOC \$113,000</b>   |
| <b>PRIOR YEAR RESERVES</b>    | <b>\$ 295,308</b>   | <b>REVISED BOC \$212,708</b>   |
| <b>TOTAL REVENUES</b>         | <b>\$ 6,098,608</b> | <b>REVISED BOC \$6,165,408</b> |

The proposed 2013 Salisbury Township Real Estate Tax is based on an estimated valuation of **\$449,148,550**. Again, with the reassessment the value will be based on 100% of fair market value. Initial estimates have placed that valuation at **1,342,120,200**. **(Revised to \$1,326,645,300 per LC Certification 11-15-12) Revised Millage for GF to 1.15155 (10% increase from Revenue Neutral of 1.04498)**

The Township has also 159 parcels that are Tax Exempt from which it does not receive payment. The total Tax Exempt valuation is \$105,769,500, which translates to approximately 19% or \$371,251 of lost revenue from tax exempt properties.

Over the years the Township has reduced taxes to compensate for healthy fund balances accumulated over the years other strong revenue streams such as **Real Estate Transfer** and **Interest** that accounted for approximately **\$900,000** per year in revenue. With the economic downturn starting in 2008, the Township has seen a considerable reduction of revenue derived from these two sources. In 2011 the Township collected only \$315,000 from these two sources. Consistently over the last 4 years the Township had to make up approximately \$600,000 per year from Fund balances. **From 2008 to 2011 the Fund balance of the Township has been reduced by approximately 3.1 million.** Coupled with a loss of revenues that could have been realized had the millage rates been retained at 2001 levels (approx.. 2.1 millions), it is evident that the Township for the past 5 years has weathered the storm caused by the economic downturn by reducing its fund balance to sustain yearly shortfalls. This in the long run cannot be sustainable and there will come a need to make up the loss of revenues or cut substantially in the departments.

The **Earned Income Tax** on the other hand has steadily increased over the 5 year period equating to 25% increase or an additional \$403,345 in more EIT revenue since 2005. Economic indexes have precipitated a more conservative posture in our estimates for 2013 with levies expected to be **1,900,000** or \$100,000 lower than the previous year.

#### EIT COLLECTIONS-HISTORY

|                         |             |
|-------------------------|-------------|
| <b>2,006,521 (Proj)</b> | <b>2012</b> |
| <b>1,917,949</b>        | <b>2011</b> |
| <b>1,823,772.</b>       | <b>2010</b> |
| <b>\$1,670,000</b>      | <b>2009</b> |
| <b>\$1,850,000</b>      | <b>2008</b> |
| <b>\$1,823,256</b>      | <b>2007</b> |
| <b>\$1,586,591</b>      | <b>2006</b> |
| <b>\$1,603,176</b>      | <b>2005</b> |

According to the 2010 Census Bureau the average household income in Salisbury Township is \$59,935 which translates into an average annual earned income tax payment of \$300 per household.

The **Real Estate Transfer Tax** is levied at 1% of the value of all real estate that transfers ownership within Salisbury Township. Revenue from this tax is also driven by economic indexes and for conservative budgeting we have budgeted the same amount as projected for 2012 (**\$320,000**). Over the last five years the amount of levy derived from this has been reduced by approximately \$380,000 per year.

Act 2 of 2007 renamed the previous Emergency and Municipal Service Tax (EMST) to the **Local Service Tax (LST)**. This Tax (\$47 ST-\$5-STSD=\$52) is assessed on all persons working within the Township. Act 2 of 2007 also allowed an upfront exemption from the payment of the Tax for those earning \$12,000 or less resulting in the Tax being collected \$1 per week and remitted to the Township quarterly.

The Township now tracks refuse and garbage collection separate of the General Fund, In 2012 it created a separate Fund, The Township will continue this practice.

**FUND BALANCE**

Maintenance of a strong fund balance has and will be an ongoing policy goal of the Board of Commissioners. The policy is important in order to be prepared for unforeseen circumstances or negative economic downturns. In addition, the Fund Balances allow the Township to balance the budget without increasing taxes/fees. The Fund Balances anticipated at the end of the 2013 budget year are outlined below:

**FUND BALANCE**  
**ESTIMATED ENDING FY 2013**

| <u>FUND BALANCE</u> | <u>% OF EXPENSES</u>                                     |
|---------------------|--|
| General Fund-       | \$ 1,570,643 25.8% <b>REVISED BOC \$1,640,243(26.6%)</b> |
| Fire-               | \$ (24,800) -7.7% <b>REVISED BOC \$5,200 (.016%)</b>     |
| Library-            | \$ 99,926 122%   |
| Water-              | \$ 1,134,503 73.4%                                       |
| Sewer-              | \$ 705,581 42.6%   |
| Refuse & Recycling- | \$ 48,227 2.8%   |
| Debt-               | \$ 0 0%  |
| Highway-            | \$ 11,079 3.7%   |

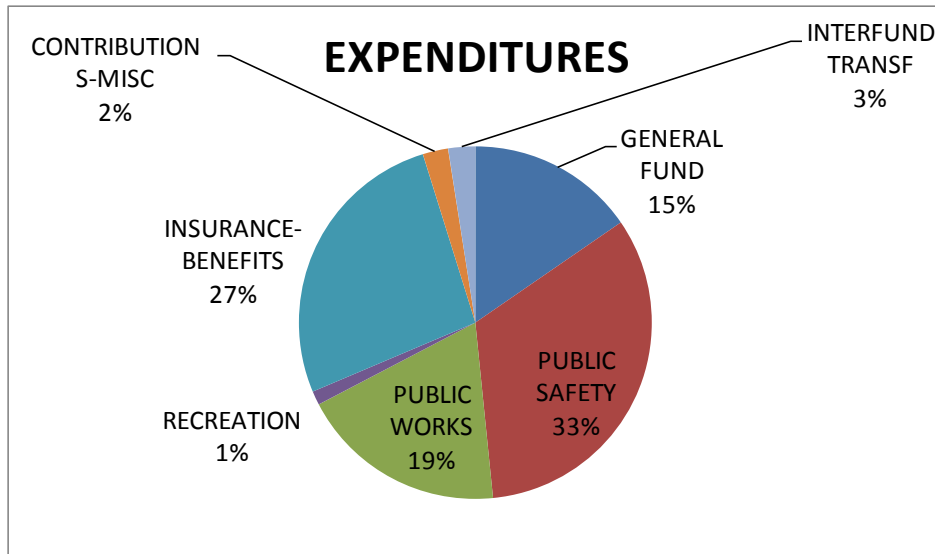
Since 2008, The Township has utilized approximately **\$3,110,000** to balance shortfalls in the General Fund. In 2012 the Board approved the policy that approximately 20% of yearly expenses should be retained as Fund Balance. At the end of the 2013 Budget the Fund Balance for the General Fund is approximately 26% of Expenses. For 2013 Expenses will exceed Revenues **by \$282,308. This is reflected in the \$1,570,643.**

**(01) GENERAL FUND EXPENDITURES**

Total Proposed 2013 General Fund Expenditures will be **\$6,098,608**. Table below shows a breakdown and allocation by program. This spending Plan represents an **increase of 4.1% from projected 2012 levels**. The breakdown by programs is depicted below. **(REVISED BY BOC \$6,165,408)**

**TOTAL PROPOSED 2013 EXPENDITURES**

| <u>EXPENSES</u>                 | <u>GENERAL FUND</u>              | <u>% OF TOTAL</u> |
|---------------------------------|----------------------------------|-------------------|
| <u>GENERAL GOVERNMENT</u>       | \$939,303                        | 15%               |
| <u>PUBLIC SAFETY</u>            | \$2,011,803 <b>(\$2,061,803)</b> | 33%               |
| <u>PUBLIC WORKS</u>             | \$1,155,401                      | 19%               |
| <u>CULTURE &amp; RECREATION</u> | \$78,201                         | 1%                |
| <u>INSURANCE &amp; BENEFITS</u> | 1,621,200 <b>(\$1,638,000)</b>   | 27%               |
| <u>CONTRIBUTIONS % MISC</u>     | \$141,500                        | 2%                |
| <u>INTERFUND TRANSFERS</u>      | \$151,200                        | 3%                |
| <u>TOTAL OPERATING</u>          | \$6,098,608 <b>(\$6,165,408)</b> | 100%              |



**GENERAL GOVERNMENT** totals **\$939,303** and represents 15% of the General Fund. The proposed budget calls for a \$123,800 increase from projected 2012, or 15%. Noticeably, reimbursable engineering expenses have been increased (Revenue side has also increased by same amount) and personnel administration has been increased to cover anticipated police personnel costs increases that will result from the new CBA once it is approved. Projected salaries for non-uniformed administrative employees have been budgeted at **3.75%** following a long standing practice that non-unionized employees receive the same % increases as other PWD employees. Administrative staff, however, pays a higher Health reimbursement premium of 5.0% vs. 2.5% for PWD. Department Heads proposed raises are **2.5%**. The Budget also includes funds for computer software and hardware upgrades and facilities maintenance. Budgeted is also \$50,000 in the **Capital Budget** (Split between GF-\$30K-Water and Sewer Funds(\$10K) for security camera upgrades, alarm system and audio visual system for the Board room.

**PUBLIC SAFETY** represents the largest expenditures with a **\$2,011,803(33%)** allocation.

**Police Services** make up the majority of the expense at **\$1,633,601 (81%)**. The Budget will reflect a contractual increase in **wages** once the new CBA is approved. Eliminated from the Department Head Budget request is two additional Officers. No anticipated increase in personnel is proposed, unless these positions are followed by **increases on the revenue side to sustain them**. This can only mean a tax increase. The current 12 hr. schedule is expected to considerably decrease the **Overtime account**, therefore \$70,000 is budgeted in line with projected 2012 expenses. Budgeted is \$13,000 for supplies to maintain the operation of the **Quick Response Service** vehicle. This is an increase of \$2,200 from projected 2012. **K-9 program supplies** remain at 2012 levels(\$5,800). **Firearms supplies** have been increased by \$2,000 from 2012 levels(\$10,000). **Minor Equipment** line item has been increased by \$3,700 from projected 2012 levels(\$27,500). Also included in the **Police Vehicles line item** (\$61,300) are 2 Dodge Charger Pursuit 4-dr sedans @ \$26,649 each + \$4,000 up-fitting each. A \$1 line item has been created for the **MERT program** and based on the BOC decision the cost for this program will need to be budgeted. The **Capital Budget** also included other capital expenses relating to police totaling \$41,000 (Car Video System-\$4,300; ~~Wireless Download System-\$22,200(BOC CUT)~~; Station measuring system-\$6,000; Rehab of the Incident Command Cir. Unit 212-\$8,500). Total Police Budget reflects an **\$81,500 5.25% increase from projected 2012** scaled down from an 11.75% increase under the departmental request. Total cuts \$100,900. **REVISED BOC \$1,683,601-ADDTL POLICE OFFICER)**

**Fire Services** is reflected in the General Fund to show the pass through allocation to the Firemen's Fire Relief Association. For 2013, \$100,000 is budgeted both as Revenue and Expense. Budgeted is also \$30,000 under Acct 465.500 for volunteer fire company incentives. **Decrease \$64,000 from 2012 projected levels or 38%**

**Code Enforcement/Planning/Zoning** makes up approx. 4.2% of the Proposed Budget. Combined \$257,902 is budgeted for inspection services and will be recouped by building permit fees. The Township handles all in-house administrative functions by the appointment of an in-house BCO. Third Party inspection agencies are retained to perform plan review and inspections for both residential and commercial properties. The Township expects to complete the Zoning Ordinance and SALDO updates by 2013. **Increased \$2,500 or 2.7% from 2012 projected levels.**

**Emergency Management.** Considerable effort has been devoted to bring our newly Emergency Center fully operational. Many computers have been added and for 2013 the Township has allocated \$20,300 for emergency management. **In addition to a small stipend for the Emergency Coordinator(\$3,000) and Deputy EC(\$1,000) \$13,000** has been budgeted for **Minor Equipment and Small Tools**(\$2,912-Harris portable radio (APD encrypted); \$350-Video monitor for viewing bldg. cameras(security);\$1,000-Large 10'x6' whiteboard ;\$3,443-Repeater; \$3,500 - Weather Station; \$300- Back-up Control Station: \$249 - Cradepoint Router; \$1,000-Monitoring System for PSP Helicopter; \$500 for 2nd shared frequency to add to the repeater for ESFD & WSFD). Total **increase \$12,328 or 154%.**

**PUBLIC WORKS** shows an appropriation of **\$1,155,401(19%)** of total GF Expenditures. Wages(\$880,000) comprise approx. 76% of the total department Budget. This represents less than 1% increase over projected 2012 levels. The department has been downsized by 6 full time employees due mostly to retirements. The Budget anticipated adding one full time employee back on the payroll. This will only add an additional \$213 from the projected 2012 wages and is sustainable. Additional funds have been budgeted for **safety related clothing** (\$3,600) and for **General Services**(\$3,000). For **traffic controls signals**, \$24,000 has been budgeted, same level as 2012 budget. **Streets and Bridges** account is funded at \$124,000, which includes \$120,000 for **road material**. **Capital Budget** for DPW includes ~~\$95,000 for a 4x4 Dump Truck(\$50,000) which purchases will be shared by another \$50,000 appropriation coming out of the Highway Fund(BOC CUT)~~ and \$45,000 for a Chipper. For Storm Sewer projects \$200,000 is appropriated for the Maumee Avenue Stormwater Project. Also budgeted is \$200,000 for applying micro-surfacing to various streets in the Township. Overall, the department budget has **increased by approx. \$55,000 or 5%.**

**RECREATION** shows an appropriation of \$76,201, **a decrease of 53% from 2012 levels.** This is mostly due to the completion of the Lindberg Park Master Site Plan budgeted in 2012 and consultant expenses no longer accounted in 2013. The 2013 Budget allocates \$20,500 for **Facilities Maintenance(\$7,000)** and **Property maintenance(\$13,500)**. **\$43,000** is budgeted to operate the summer playgrounds at Laubach Lindberg, Green Acres and Devonshire parks. Budgeted for next year are funds to continue treatment of the geese problem at Laubach Park The **Capital Budget** includes **\$43,000 for Park upgrades** that includes \$10,000 for lighting at Laubach Park; \$5,000 for a surveillance system at Laubach Park; \$7,000 for a new roof at the restrooms at Laubach Park; 41,000 for a new restroom room at Green Acres; ~~\$20,000 for new windows at the Franke Park Farmhouse(REVISED BOC CUT TO \$1)~~ **Decreased by \$36,747 over projected 2012 levels.**

**CONTRIBUTIONS & MISCELLANEOUS-** Environmental Advisory Council expenses are expected to remain at 2012 budget levels(\$2,000). Contributions are expected to rise by \$1,000. Volunteer Incentives for both ESFD and WSFD are expected to remain at 2012 levels (\$30,000).Miscellaneous will increase by **\$20,520 due to increases in the principal for certain leases.** Total \$143,500 for this category. **Increases \$21,100 from 2012 projected 34%**



**INSURANCE & BENEFITS-** Salisbury Township participates in the Lehigh Valley Insurance Cooperative which has provided overall stability in our health rates. Group Health Insurance, underwritten by Capital Blue Cross, is expected to increase by 4.9%. Total **Health Insurance and Disability** is \$806,200 (REVISED BOC \$823,000) an increase of \$253,630 over a 5 year period.. Other **Insurance, commercial, property, police professional, crime, public officials, and Workers Compensation**, overall, will be maintained at 2012 levels(\$197,200) an increase of \$48,613 over 5 year period. levels. **Pension Costs**, however, have dramatically increased over the years. See Table Below:

**MINIMUM MUNICIPAL OBLIGATION**

| YEAR        | 2007      | 2008      | 2009      | 2010    | 2011     | 2012    | 2013    |
|-------------|-----------|-----------|-----------|---------|----------|---------|---------|
| Police      | \$ 97,960 | \$108,413 | \$129,610 | 219,168 | 222,757  | 229,677 | 262,000 |
| Non Uniform | \$222,726 | \$235,472 | \$232,498 | 261,615 | 257,757  | 266,244 | 261,819 |
| Total       | \$320,686 | \$343,885 | \$362,108 | 480,783 | 480,042  | 495,921 | 523,819 |
| State Aid   | \$189,177 | \$184,807 | \$197,065 | 209,576 | 397,347* | 250,328 | 227,500 |
| Township    | \$131,509 | \$159,078 | \$165,043 | 271,207 | 82,695   | 245,593 | 296,319 |

• **One Time aberration due to adjustment in calculation of state unit values**

STATE UNIT Values: Police count 2 units; Non Uniformed- 1 unit.

2011-\$5,596

2010-\$3,234

2009-\$3,128

2008-\$3,186

2007-\$3,206

While State Aid has remained leveled over the 6 year period, the Pension Costs have risen dramatically. Over the period, the cost of the Pension Plans combined has increased by \$164,810 or **125%**, while the subsidy from State Aid has only increased by \$38,323 or **29%**. By contract, employee contributions have been eliminated for PWD. Police only recently have commenced to shoulder some of the costs by contributing 1.54% of pay. Therefore, most of the cost (\$64,810) has been shouldered by the Township. Total budget increases from 2012 projected, **\$23,190 or 1.4%**.

**INTERFUND TRANSFERS**

The Township expects to transfers funds to offset expenses for the Fire Fund. Approximately \$61,400 is expected to be transferred in 2013. Also, \$89,800 will be transferred to our Capital Reserve Fund. Total budget \$151,200. **Increase of \$22,535 from 2012 levels or 17%**

**(03) FIRE PROTECTION FUND**

**Revenues/Expenditures**

Total **Revenue** is expected to be \$231,800 (REVISED BOC \$261,800) generated by the .55 mills (REVISED NEW MILLAGE .20861 (Addtl \$ 30,000) Fire Tax and Interest and contributions Income(\$9,050). Other sources of revenue will be from sale of fixed assets(\$10,000) and a \$61,400 transfer from the General Fund. Total Revenue is projected at **\$321,250**. It will be necessary to utilize \$8,950 of prior year funds to balance the budget. On the **Expense** side \$162,700 is budgeted to offset operational expenses for the ESFD(\$63,100) and WSFD(\$66,600). The **Capital Budget** includes the purchase of a rescue truck(ESFD) in the amount of \$362,200 A Loan of \$100,000 is shown for the payment of the Truck. Overall, the Fire Budget relies heavily

from subsidies from the General Fund Balances Reserves. As you will note there is \$24,800 shortfall in that budget. Capital Expenses consist of the purchase of a 2013 Fire Truck (\$362,200) and ~~\$15,000 budgeted for the removal of an underground tank for WSFD.~~(REVISED BOC CUT TO \$1. PERFORM ENVIRONMENTAL ASSESSMENT OF UST) **Currently, the proposed budget shows a \$24,800 deficit.**

**PROPOSED 2013 FIRE BUDGET**

**REVENUES:**

|                          |                  |                               |
|--------------------------|------------------|-------------------------------|
| TAXES                    | \$231,800        | <del>(\$261,800)</del>        |
| INTEREST & CONTRIBUTIONS |                  | \$9,050                       |
| OTHER SOURCES            |                  | \$71,400                      |
| PRIOR YEAR               |                  | <u>\$0</u>                    |
| <b>TOTAL REVENUE</b>     | <b>\$312,250</b> | <b><del>(\$342,250)</del></b> |

**EXPENDITURES:**

|                                     |  |                                     |
|-------------------------------------|--|-------------------------------------|
| PUBLIC SAFETY                       |  | \$162,700                           |
| OTHER EXPENSE                       |  | \$900                               |
| INTERFUND TRANSFERS                 |  | <u>\$157,600</u>                    |
| <b>TOTAL OPERATING EXPENDITURES</b> |  | <b>\$321,200</b>                    |
| <b>NET CHANGE</b>                   |  | <b><del>(\$8,950)</del>\$21,050</b> |
| <b>FUND BALANCE</b>                 |  | <b><del>(\$24,800)</del>\$5,200</b> |

Debt Service for the fire trucks is now paid directly from the Fire Fund and totals \$46,400.

**Debt Service Totals:**

| <u>ITEM</u>           | <u>PRINCIPAL</u> | <u>INTEREST</u> |
|-----------------------|------------------|-----------------|
| 1999 Fire Truck(ESFD) | \$ 7,600         | \$ 200          |
| 2005 Fire Truck(WSFD) | \$ 10,000        | \$ 1,600        |
| 2008 Fire Truck(WSFD) | \$ 6,300         | \$ 1,400        |
| 2009 Fire Truck(ESFD) | \$ 9,300         | \$ 2,300        |
| 2012 Fire Truck(ESFD) | \$ 5,800         | \$1,900         |
| <u>TOTAL</u>          | <u>\$ 39,000</u> | <u>\$ 7,400</u> |

**(04) LIBRARY TAX FUND**

**Revenues/Expenditures**



**Revenues** generated by the .18 mill tax are projected to be \$78,100, plus interest of \$100. Total **\$78,200 Expenditures**, which are assessed by the Allentown Public Library, will total \$81,600. Miscellaneous- \$300. The Tax was initiated by referendum and in order to be repealed it must be approved by the voters. However, no voter approval is necessary to increase the rate. **The current \$3,700 shortfall will be absorbed by the Fund Balance.**

**PROPOSED 2013 LIBRARY BUDGET**

**REVENUES:**

|                      |                 |
|----------------------|-----------------|
| TAXES                | \$78,100        |
| INTEREST             | \$100           |
| MISCELLANEOUS        | \$0             |
| PRIOR YEAR           | <u>\$0</u>      |
| <b>TOTAL REVENUE</b> | <b>\$78,200</b> |

**EXPENDITURES:**

|                                     |                  |
|-------------------------------------|------------------|
| LIBRARY SERVICES                    | \$81,600         |
| MISCELLANEOUS                       | <u>\$300</u>     |
| <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$81,900</b>  |
| <b>NET CHANGE</b>                   | <b>(\$3,700)</b> |
| FUND BALANCE                        | \$99,926         |

**Salisbury circulation and patron registration statistics for 2011**

Circulation

|               |              |
|---------------|--------------|
| January       | 2752         |
| February      | 2325         |
| March         | 2842         |
| April         | 2464         |
| May           | 2386         |
| June          | 3710         |
| July          | 4071         |
| August        | 3671         |
| <b>Total:</b> | <b>21379</b> |

Patrons registered

|          |    |
|----------|----|
| January  | 18 |
| February | 7  |
| March    | 20 |
| April    | 14 |
| May      | 21 |
| June     | 23 |
| July     | 44 |
| August   | 29 |

Total number of patrons registered to date: **4792**

## (06) WATER FUND

### Revenues

The Township does not anticipate a water rate increase for the year 2013. Anticipated revenues for the year 2013 from property owners paying on metered water(\$1,401,000) and Interest Earned(\$3,000), is expected to bring in approx. **\$1,404,000**. An average consumption for a family consists of 100,000 gals/yr. Total yearly bill-\$492(Gross).

### Expenditures

Total expenditures of the Water Fund are expected to be **\$1,545,800** including **\$860,000** for the purchase of water from the Allentown Authority; \$4,300 from Bethlehem Authority; and \$8,500 from SW Twp. Authority. Wages allocation is expected to run \$217,000 (Budget reflects an additional laborer position to be funded equally from Water and Sewer Fund); Supplies(\$43,700), Services(\$67,800), Insurance(\$12,900) and Employee Benefits(\$115,100) and Miscellaneous/Leases(\$10,000) are expected to comprise the other \$138,000 expenses. Transfers to the General Fund in the amount of \$206,300 are also budgeted. **Capital Budget** includes \$10,000 for the cost of the municipal buildings upgrades and Ellsworth Water Line replacement (\$81,400). Decrease from 2012 levels is \$8,600 approx. 1%. **The \$143,400 shortfall will be absorbed by the Fund Balance.**

## PROPOSED 2013 WATER FUND BUDGET

### REVENUES

|                |                    |
|----------------|--------------------|
| INTEREST       | 3000               |
| SYSTEM REVENUE | 1401000            |
| MISCELLANEOUS  | 0                  |
| PRIOR YEAR     | <u>0</u>           |
| <b>TOTAL</b>   | <b>\$1,404,000</b> |

### EXPENDITURES

|                     |                    |
|---------------------|--------------------|
| WAGES               | 217200             |
| SUPPLIES            | 43700              |
| SERVICES            | 67800              |
| WATER PURCHASES     | 872800             |
| OTHER EXPENSE       | 139600             |
| INTERFUND TRANSFERS | <u>206300</u>      |
| <b>TOTAL</b>        | <b>1,547,400</b>   |
| NET CHANGE          | <b>(\$143,400)</b> |
| FUND BALANCE        | \$1,132,903        |

## (08) SEWER FUND

### Revenues

**Revenues** for 2013 are expected to be **\$1,352,500**, comprised of annual sewer charges of \$1,351,000 and Earned Interest of \$1,500. Rates are expected to be maintained at 2012 levels.

### Expenditures

Total Expenditures for 2013 are expected to be **\$1,655,300** including \$768,000 for system costs that include disposal costs to Allentown(\$506,300) and Bethlehem(\$150,000) costs, transmissions costs to Allentown(\$3,700) Fountain Hill(\$1,000), Emmaus(\$8,100), Lehigh County Authority(\$16,600), and South Whitehall Twp. (\$1,000). Other costs include Wages(\$214,900), Supplies (\$33,900) and Services(\$293,500) of which \$200,000 is set aside for I/I work. Employee Benefits(\$114,900) and Insurance(\$12,900) and Debt Service (\$82,200) make up the remaining expenses. **Capital Budget** includes \$100,000 for the rehabilitation of the Riverside Drive Pumping Station and \$10,000 for sharing in the cost of the municipal building system upgrades. Increase of \$8,917 from 2012 projected levels. **The \$302,800 shortfall is expected to be absorbed by the Fund Balance.**

## PROPOSED 2013 SEWER FUND

### REVENUES:

|                      |                    |
|----------------------|--------------------|
| INTEREST             | 1500               |
| SYSTEM REVENUE       | 1351000            |
| MISCELLANEOUS        | 0                  |
| PRIOR YEAR           | <u>0</u>           |
| <b>TOTAL REVENUE</b> | <b>\$1,352,500</b> |

### EXPENDITURES:

|                                     |                    |
|-------------------------------------|--------------------|
| WAGES                               | 214900             |
| SUPPLIES                            | 33900              |
| SERVICES                            | 293500             |
| SYSTEM COSTS                        | 768900             |
| OTHER EXPENSE                       | 139400             |
| INTERFUND TRANSFERS                 | <u>206300</u>      |
| <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$1,655,900</b> |
| NET CHANGE                          | <b>\$303,400</b>   |
| FUND BALANCE                        | \$704,981          |

**(20) DEBT SERVICE FUND**

**Revenues/Expenditures**

All Revenues for this fund are simply transferred from the General Fund. Total \$164,300 Expenditures include:

| <u>ITEM</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> |
|-------------|------------------|-----------------|
| 2010 Bonds  | \$99,500         | \$64,300        |

**PROPOSED 2013 DEBT SERVICE BUDGET**

**REVENUE**

|                      |                  |
|----------------------|------------------|
| INTERFUND TRAN       | \$164,300        |
| <b>TOTAL REVENUE</b> | <b>\$164,300</b> |

**EXPENDITURES**

|                       |                  |
|-----------------------|------------------|
| DEBT PRINCIPAL        | \$99,500         |
| DEBT INTEREST         | \$64,300         |
| FEES                  | \$500            |
| <b>TOTAL EXPENSES</b> | <b>\$164,300</b> |
| NET CHANGE            | \$0              |

**(34) REFUSE & RECYCLING FUND**

**Revenues** comprise both **Sanitation fees(\$1,643,500)** and **Interest (\$100)**. **On the Expense side \$1,695,200** is budgeted. \$1,520,000 is allocated to pay collection and disposal costs charged by our contractor, Waste Management, for both garbage and recycling. Other expenses include costs allocation of employees associated with the administration of the Fund(\$50,200). The remaining expense is an interfund transfer to the General Fund(\$125,000). Rates are expected to remain at 2012 levels \$340.00 per year. **The \$51,600 shortfall is expected to be absorbed by the Fund Balance. Future charges will need to be monitored since the Fund Balance has dipped to 2% of expenses.**

**PROPOSED 2013 REFUSE & RECYCLING FUND**

**REVENUES:**

|                 |             |
|-----------------|-------------|
| INTEREST        | \$100       |
| SANITATION FEES | \$1,643,500 |

|                      |                    |
|----------------------|--------------------|
| PRIOR YEAR           | \$0                |
| <b>TOTAL REVENUE</b> | <b>\$1,643,600</b> |

**EXPENDITURES:**

|                                     |                    |
|-------------------------------------|--------------------|
| ADMINISTRATION                      | \$4,000            |
| DATA PROCESSING                     | \$13,800           |
| BUILDINGS & PLANT                   | \$500              |
| WAGES                               | \$23,000           |
| SANITATION                          | \$1,520,000        |
| LEASE PAYMENTS                      | \$5,000            |
| SERVICE FEES                        | \$2,100            |
| EMPLOYEE BENEFITS                   | \$1,800            |
| PRIOR YEAR                          | \$0                |
| INTERFUND TRANSFERS                 | <u>\$125,000</u>   |
| <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$1,695,200</b> |
| <b>NET CHANGE</b>                   | <b>(\$51,600)</b>  |
| <b>FUND BALANCE</b>                 | <b>\$48,277</b>    |

**(35) HIGHWAY AID FUND**

**Revenues/Expenditures**

Total Revenues \$305,600. The State Liquid Fuels 2013 allocation is estimated to be **\$305,400**. Interest is \$200. Total Expenditures will be **\$297,400** including \$135,000 for street lighting, \$70,000 for road salt, cinders and de-icer, and \$4,000 for Traffic signal maintenance. Lease payments (\$22,700) and Interfund Transfers (\$65,700) comprise the remaining expenses. **Capital Budget** will include a \$50,000 allocation to help pay for the new 4x4 Dump Truck. This fund cannot be overspent.

**PROPOSED 2013 HIGHWAY FUND BUDGET**

**REVENUE**

|                      |                  |
|----------------------|------------------|
| INTEREST             | \$200            |
| STATE SHARED REVENUE | \$305,400        |
| PRIOR YEAR           | <u>\$0</u>       |
| <b>TOTAL REVENUE</b> | <b>\$305,600</b> |

**EXPENDITURES**

|                                     |                  |
|-------------------------------------|------------------|
| STREETS & BRIDGES                   | \$209,000        |
| LEASE PAYMENTS                      | \$22,700         |
| INTERFUND TRANSFERS                 | <u>\$15,700</u>  |
| <b>TOTAL OPERATING EXPENDITURES</b> | <b>\$247,400</b> |
| <b>NET CHANGE</b>                   | <b>\$58,200</b>  |
| <b>FUND BALANCE</b>                 | <b>\$61,079</b>  |

In conclusion, I would like to thank Ms. Cathy Bonaskiewich, Assistant Township Manager/Finance Director, for assisting me in the preparation of the Budget and the Department Heads for their contributions. I expect future Budget preparation to be a highly interactive process that takes place throughout the year. The Budget is merely a spending plan and cannot work unless it is scrutinized and reviewed periodically throughout the year. I would also like to thank the Board of Commissioners for their dedication to the citizens of Salisbury Township and for their ongoing support and leadership. Salisbury Township continues to be a wonderful community in which to live, work and visit.

Respectfully submitted,

Randy Soriano  
Township Manager