

MANAGER BUDGET MESSAGE

In accordance with Article XVII of the First Class Township Code, I am pleased to submit the 2011 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 significantly increase taxes, with the exception of a small .06 mills proposed for the Fire Fund in order to help balance the budget.

The 2011 Proposed Operating Budget details an **\$11,752,300** spending Plan for all Funds. This represents a 1.6% increase over 2010 Budget and an increase of **\$217,503 or 1.9 %** over projected 2010. The following is a summary each Fund:

TOTAL 2011 PROPOSED BUDGET

	<u>Projected</u> <u>2010</u>	<u>Proposed</u> <u>2011</u>	<u>\$</u> <u>% CHANGE</u>	<u>Proposed</u> <u>2011</u>	<u>REQUIRED</u> <u>2011</u> <u>FUND</u> <u>BALANCE*</u>
	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>		<u>REVENUES</u>	
<u>General Fund</u>	\$ 7,262,278	\$ 7,566,300	\$ 304,022	\$ 6,410,900	(1,155,400)**
<u>Fire Protection Fund</u>	\$ 163,874	\$ 163,200	\$ (674)	\$ 182,300	19,100***
<u>Library Fund</u>	\$ 83,700	\$ 83,700	\$ (0)	\$ 77,800	(5,900)
<u>Water Fund</u>	\$ 1,413,166	\$ 1,390,800	\$ (22,366)	\$ 1,400,900	10,900
<u>Sewer Fund</u>	\$ 1,666,217	\$ 1,529,000	\$ (137,217)	\$ 1,368,100	(160,900)
<u>Debt Service Fund</u>	\$ 594,500	\$ 790,300 (a)	\$ (495,800)	\$ 301,800	(488,500)
<u>Highway Fund</u>	\$ 351,062	\$ 229,000	\$ (122,062)	\$ 309,400	80,400
<u>TOTAL</u>	\$11,534,797	\$11,752,300	\$ 217,503	\$10,051,200	\$(1,378,500)
			<u>1.9%</u>		

* Negative Fund Balances will be made up by operational reserves

** This does not include \$2,440,600 of Non-Operating expenses for Capital Outlays.

*** This Fund Balance is contingent on raising the Fire Tax by .06 Mills to a total of .30 mills, thus netting an additional \$28,000. Also GF transfers \$640,000 to cover Capital outlays for new Fire Truck and renovations

(a) The GF transfers this amount to the Debt Service Fund

The total for all Funds including the Capital Budget (**\$2,440,600**) is **\$14,192,900**

TAX RATE

The 2011 Proposed Budget **contemplates a .06 mills increase for the Fire Tax.** With the exception of the Fire Tax, GF and Library Fund remain at 2010 levels. The proposed Tax Levies are broken down as follows:

		<u>Mills</u>
<u>GF</u>	\$ 1,364,878	3.09
<u>Library</u>	\$ 79,507	0.18
<u>Fire</u>	\$ 132,512	0.30
<u>2011</u>	\$ 1,576,898	3.57

REAL ESTATE TAX		Medium Value	Medium Assessed
PROPOSED-CURRENT	2011	\$ 224,300	\$ 77,376.00
Township	3.57	\$ 800.75	\$ 276.23
School District	45.445	\$ 10,193.31	\$ 3,516.35
County	11.9	\$ 2,669.17	\$ 920.77
Real Estate Tax		\$ 13,663.23	\$ 4,713.36

Real Estate Tax

3.09 Mills – General Fund
0.24 Mills – Fire Fund- **Proposed Inc. to 0.30**
0.18 Mills – Library Fund (Referendum)

3.57 Total Mills for the 2011 Fiscal Year

This Levy equates to an annual tax of **\$800.75 up from \$787.29** for a taxpayer with a property valued at \$224,300, the median housing value in Salisbury Township

Earned Income Tax – 0.5%

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 **\$276** to the Township, **\$3,352** to the Salisbury School District and **\$793** to Lehigh County.

(01) GENERAL FUND BUDGET

The Township expects to realize **\$6,410,900** in Revenues. This represents a \$69,983 or **1.05%** decrease from 2010 projections. Expenditures are proposed at **\$7,566,300**. This represents \$303,520 increase or approximately **4.18%** increase from 2010 projections. The predominant source of revenue comes from Taxes (\$3,746,000). Earned Income Tax brings in approximately 1,700,000 million and represents **45.38%** of the Tax Revenue or 26.51 % of Total Revenue. Real Estate brings in approximately 1,356,000 million and represents **36.19%** of the Tax Revenue or 21.15% of Total Revenue. Other Taxes such as the Realty Transfer Tax (\$270,000), Local Service Tax (\$420,000), combined (\$690,000), represent **18.4%** of the Tax Revenue or 10.76% of the Total Fund Revenue. Combined Taxes represent 58.43% of Total Revenue. The remainder of the Revenue stream is made up of License & Permits (\$111,800 or 1.74%), Fines & Forfeits (\$72,000 or 1.12%), Interest & Rents (\$ 57,600 or .009%), State Shared Revenues (\$382,100 or 5.9%), Payment in Lieu of Taxes (\$25,200 or .004%), Charges for Services (\$270,000 or 4.2%), (Refuse Collection \$1,703,200 or 26.56%), and Miscellaneous Revenue (\$41,000 or .006%.)

GENERAL FUND REVENUES

<u>REVENUES</u>	<u>GENERAL FUND</u>
RE TAXES	\$ 1,358,000
EARNED INCOME TAXES	\$ 1,700,000
OTHER TAXES	\$ 690,000
LICENSES & PERMITS	\$ 111,800
FINES FORFEITS	\$ 72,000
INTEREST & RENTS	\$ 57,600
STATE SHARED/PILOT	\$ 407,300
CHARGES FOR SVCS-REFU	\$ 1,973,200
MISC REVENUE	\$ 41,000
TOTAL REVENUE	\$ 6,410,900

The proposed 2011 Salisbury Township Real Estate Tax is based on an estimated valuation of **\$450,377,050**. As you will note from the chart below, revenue from the Real Estate Tax is expected to be at or up .0005% of the 2010 levels, despite the fact that assessments over the past 10 years have increased by approx. 10%. The reason is attributable to the reduction/changes of the millage rate over the years from 4.18 mills to 3.51 mills. The net effect has been a loss in approximately \$500,000 in over a 10 year period.

REAL ESTATE TAX ASSESSMENT HISTORY

<u>Mills</u>		<u>YEAR</u>	<u>PARCELS</u>	<u>ASSESSMENTS</u>	<u>BILLINGS</u>	<u>COLLECTIONS</u>
<u>3.510</u>	<u>Proj</u>	<u>2010</u>	<u>5709</u>	<u>\$450,131,050</u>	<u>\$1,548,149</u>	<u>\$1,362,928</u>
<u>3.510</u>		<u>2009</u>	<u>5710</u>	<u>\$441,708,250</u>	<u>\$1,550,396</u>	<u>\$1,488,380</u>
<u>3.510</u>		<u>2008</u>	<u>5702</u>	<u>\$441,199,300</u>	<u>\$1,548,611</u>	<u>\$1,486,000</u>
<u>3.760</u>		<u>2007</u>	<u>5697</u>	<u>\$438,855,900</u>	<u>\$1,650,098</u>	<u>\$1,592,865</u>
<u>3.760</u>		<u>2006</u>	<u>5674</u>	<u>\$429,405,250</u>	<u>\$1,614,564</u>	<u>\$1,558,963</u>
<u>3.880</u>		<u>2005</u>	<u>5649</u>	<u>\$422,756,850</u>	<u>\$1,640,296</u>	<u>\$1,557,857</u>
<u>3.980</u>		<u>2004</u>	<u>5651</u>	<u>\$420,216,200</u>	<u>\$1,672,412</u>	<u>\$1,611,542</u>
<u>3.980</u>		<u>2003</u>	<u>5638</u>	<u>\$420,890,550</u>	<u>\$1,675,147</u>	<u>\$1,595,341</u>
<u>4.180</u>		<u>2002</u>	<u>5640</u>	<u>\$418,544,500</u>	<u>\$1,749,562</u>	<u>\$1,683,533</u>
<u>4.180</u>		<u>2001</u>	<u>5637</u>	<u>\$413,546,600</u>	<u>\$1,728,627</u>	<u>\$1,652,892</u>
<u>4.180</u>		<u>2000</u>	<u>5656</u>	<u>\$408,011,000</u>	<u>\$1,705,488</u>	<u>\$1,638,149</u>

The Township also has 156 parcels that are Tax Exempt from which it does not receive payment. The total Tax Exempt valuation is \$130,793,750, which translates to approximately 22% or \$459,086 of lost revenue from tax exempt properties.

The **Earned Income Tax** on the other hand has steadily decreased over the past 3 years equating to 6.7% or a loss of approximately \$183,000 decrease attributable to the high unemployment rate facing the region. Economic indexes have precipitated a more conservative posture in our estimates for 2011, with levies expected to be \$182,000 lower than the previous year or at 2010 levels.

According to the 2000 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 within Salisbury Township. Revenue from this tax is also driven by economic indexes and for conservative budgeting we have budgeted \$50,000 less than the previous year. The Township has felt the impact of the slumping housing market by realizing approx. **\$600,000 less in revenue** from RE Transfer from prior years.

Act 2 of 2007 renamed the previous Emergency and Municipal Service Tax (EMST) to the **Local Service Tax (LST)**. This Tax (shared: ST-\$47 and STSD-\$5=\$52) is levied 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. We expect this levy (\$420,000) to remain at 2010 projected levels.

Interest Earnings have plummeted as a result of interest rates on savings decreasing from the most recent banking climate. The Township has budgeted a conservative \$8,000. The Township has lost approximately \$350,000 in this stream of revenue. The total loss of revenue attributable to the economic downturn is approximately a loss of **\$900,000**. This equates to approximately 2 mills of taxes.

Sanitation-Since the Township tracks refuse and garbage collection through the General Fund, instead of creating a separate Enterprise Fund, the General Fund Revenues also include approximately \$1,663,000 from

fees assessed for the collection of Solid Waste and Recycling. The Board of Commissioners will need to decide whether to extend the contract currently with Waste Management. The current three year contract contains a clause for extending it for another 3 years. Because of the renewal of the waste and recycling contract and increase in its cost, the Township user fee will need to be adjusted accordingly to cover the increases. For 2011 the annual refuse fee of **\$340 will need to be re-evaluated based on new increases**. The Board should also decide whether the 2011 Proposed Budget should also maintain the collection of grass. It is hoped that the grass pickup service, if continued, will be absorbed/offset by additional revenue derived from recycling performance grants.

FUND BALANCE

Maintenance of strong fund balances has and will be an ongoing policy goal of the Board of Commissioners. However, effective with the fiscal year ending June 30, 2011, the Township will need to comply with GASB 54-Fund Balance Reporting and Governmental Fund Type. The classifications that will now be used are as follows:

- **Nonspendable**
 - **Restricted**
 - **Committed**
 - **Assigned**
 - **Unassigned**

A Policy will need to be created. It 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 2011 budget year are outlined below:

FUND BALANCE
ESTIMATED ENDING FY 2011

<u>General Fund</u>	<u>\$ 2,809,539</u>
<u>Fire Protection Fund</u>	<u>\$ 3,330 (a)</u>
<u>Library Tax Fund</u>	<u>\$ 98,956</u>
<u>Water Fund</u>	<u>\$ 1,959,767</u>
<u>Sewer Fund</u>	<u>\$ 2,779,247</u>
<u>Debt Service Fund</u>	<u>\$ 0</u>
<u>Highway Fund</u>	<u>\$ 7,665</u>
TOTAL	<u>\$ 6,018,504 (a)</u>

(a) For Fire Fund-This only represents the Fund Balance without the \$640,000 Capital appropriation. Adding this amount would arrive at the total shown.

(01) GENERAL FUND EXPENDITURES

Total Proposed 2011 General Fund Expenditures will be \$7,566,300. Table below shows a breakdown and allocation by program. This spending Plan represents an increase of 4.8% from projected 2008 levels. The breakdown by programs is depicted below.

TOTAL PROPOSED 2011 EXPENDITURES

<u>EXPENSES</u>	<u>GENERAL FUND</u>	<u>% OF TOTAL</u>
<u>GENERAL GOVERNMENT</u>	<u>\$911,600</u>	<u>12%</u>
<u>PUBLIC SAFETY</u>	<u>\$1,966,400</u>	<u>26%</u>
<u>PUBLIC WORKS</u>	<u>\$1,301,300</u>	<u>17%</u>
<u>CULTURE & RECREATION</u>	<u>\$64,300</u>	<u>1%</u>
<u>CONTRACTUAL PAYMENTS</u> <u>SANITATION</u>	<u>\$1,571,500</u>	<u>21%</u>
<u>MISCELLANEOUS</u>	<u>\$90,400</u>	<u>1%</u>
<u>INSURANCE & EMPLOYEE BENEFITS</u>	<u>\$1,619,900</u>	<u>21%</u>
<u>DEBT SERVICES</u>	<u>\$0</u>	<u>0%</u>
<u>FUND BALANCE RESERVE</u> <u>PRIOR YEAR</u>	<u>(38,900)</u>	<u>1%</u>
<u>TOTAL OPERATING EXPENDITURES</u>	<u>\$7,566,300</u>	<u>100%</u>

GENERAL GOVERNMENT totals **\$911,600** and represents **12%** of the General Fund. The proposed budget calls for a \$19,734 increase from projected 2010. Administration is proposing a small increase of \$1,040 or .04% increase, with wages increases ranging from 2% for the Twp. Manager to 3.5% for clerical. Printing costs and equipment purchases have been reduced by \$4,200 from projected 2010 levels. Finance Department increases reflect mostly wages increase of 3.5%. Legal and Engineering expenses have been increased by 3.7% and 3.31% respectively. The Budget does not include additional funds to upgrade the design to the Website or any additional computer software and hardware for the offices. This was completed in 2010.

PUBLIC SAFETY represents the largest expenditures with a **\$1,966,400(26%)** allocation. **Police Services** make up the majority of the expense at **\$1,528,200 (21%)**. Total Wages is \$1,331,500(18%) an increase of \$39,391 from 2010. The Budget reflects a contractual 4% increase negotiated in 2008 as part of their 5 year contract. No anticipated increase in personnel is expected. The Police force is comprised of 1 Chief, 1 Detective, 3 Sergeants, 12 Full-Time Officers, 3 PT Officers and 2 civilian administrative assistants. The implementation of the 12 hr. schedule in 2009 considerably decreased the Overtime account, therefore it is expected that in 2011 we will continue at the same level as 2010 (\$70,000). Budgeted is \$23,100 for minor equipment ranging from (4) personal ballistic vests(\$5,400), 1 tactical vest (\$3,200), to Taser/w cameras, Scott air packs, SCBA , MSA Altair gas meter(to check for natural gas inside structures) and other traffic safety equipment, firearms training tools, rifles and ammunition. The Police Department is also requesting the purchase of three (3) patrol vehicles Dodge Chargers for a cost of **\$101,373**(a 3yr lease will be utilized to cushion the impact on the budget) and a new QRS/EMS vehicle(\$45,145) utilizing \$20,000 from St. Luke’s donation for the ambulance and the balance from EMS subscriptions. Other Capital expenses are \$28,600 for radios; \$38,800 for additional MDTs. **Fire Services** is reflected in the General Fund to show the pass through allocation to the Firemen’s Fire Relief Association. For 2011, \$100,000 is budgeted both as Revenue and Expense. Budgeted is also \$30,000 under Acct 465.500 for volunteer fire company incentives. **Code Enforcement/Planning/Zoning** makes up approx. 3.7% of the Proposed Budget. Personnel include a FT Planning and Zoning Director, 1 Code Enforcement Officer and 1 FT Administrative Assistant (\$161,500) or 57% of the \$280,400 budget. Inspection services and plan review total \$55,000. The Capital Budget also includes a new vehicle for the department. **Emergency Management** (.07%) includes a stipend (\$2,300) for the EMC and training and supplies (\$3,000)

PUBLIC WORKS shows an appropriation of **\$1,301,300(17.20%)** of total GF Expenditures. Total Wages for the Highway Department (\$1,031,200) comprise approx 79% of the total department Budget. The Highway Department tracked through the General Fund is comprised of 1 Supervisor, 2 Mechanics, 3 Crew Leaders 11 Equipment Operators. This represents a 3.5% increase over last year Budget. \$ 56,600 is appropriated for general service; \$8,000 for Leaf collection, \$21,000 for Traffic Control services totaling \$85,600 or 1.1% of the department budget. \$140,000 or 1.9% is allocated for road material used for in-house paving and repairs of minor arteries. Capital expenditures reflect a new pickup truck (\$35,000), portion of the cost for a new Wheel Loader (total cost \$135,000-GF will pick up \$45,000 of that amount. The remaining balance will come out of the Water-Sewer Funds(\$20,000) and Highway Fund(\$40,000). Additional carryover of capital costs from 2010 is \$45,000 to complete the Flexer Avenue Road Reconstruction started in 2010.

RECREATION shows an appropriation of \$64,300, an increase of 1% from 2010 levels. Budgeted for next year are funds to continue to treatment the geese population through the USDA at Laubach Park (\$10,000) and additional capital funds to reconstruct the Lindberg Park Basketball courts (\$55,000) and park surveillance cameras for Green Acres Park and Lindberg Park (\$84,000).

SANITATION shows an increase in expenditures of approx. **\$84,950 or 6.4%**. It also assumes that the Township will exercise their option to extend the current waste and recycling contract with Waste Management(\$1,552,300) or take the chance to go out to bid. The BOC will need to decide again if the grass pickup services should continue. The cost of retaining the service is \$58,900. The current refuse and recycling rate per household will be adjusted accordingly and it is expected to increase from \$340.00 per year to \$361.00 or \$21 per unit.

INSURANCE & BENEFITS-Insurance such as commercial, auto, property, police professional, crime, public officials, and Workers Compensation(\$176,100), overall, will be rise by only 1% over 2010 levels. Salisbury Township participates in the Lehigh Valley Insurance Cooperative(PHMIC) which has provided overall stability in our health rates over community rated groups. Group Health Insurance (\$817,000), administered by the Benecon Group, underwritten by Capital Blue Cross, is expected to increase by 7%. Employees(other than Police) contribute approx. 2.8% of the premium. Life and Disability is expected to decrease by 7% over 3 yrs. And the Township will realize a saving of \$22,000 over that period. **Pension Costs**, however, have dramatically increased over the years. See Table Below:

MINIMUM MUNICIPAL OBLIGATION

While State Aid has remained leveled over the 5 year period, the Pension Costs have risen dramatically. Over the period starting in 2007, the costs associated with the Uniformed Pension Plan have increased by \$130,340. Similarly, for the Non-Uniformed employees (PWD and Administration), the cost of the Plan have increased by \$24,310. Combined, the pension costs have increased by \$154,650, while the subsidy from State Aid has only increased by \$30,823. For the 2011 Budget the total Pension cost for both plans will be \$439,700. State Aid (\$220,000) will offset this cost leaving the Township to fund the additional \$219,700. The BOC will need to decide whether to continue to levy the 1% employee contributions for the Police Department. (See Table below)

<u>YEAR</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Increase</u>
Police	\$ 56,491	\$ 88,418	\$ 97,960	\$108,413	\$129,610	\$219,000	\$228,300	\$171,809
NonUniformed	\$125,711	\$136,816	\$222,726	\$235,472	\$232,498	\$214,500	\$211,400	\$ 85,689
Total	\$182,202	\$225,234	\$320,686	\$343,885	\$362,108	\$433,500	\$439,700	\$257,498
-								
State Aid	\$169,753	\$182,223	\$189,177	\$184,807	\$170,000	\$190,000	\$220,000	\$50,247
-								
Township	\$12,449	\$43,011	\$131,509	\$159,078	\$192,108	\$243,500	\$219,700	\$207,251

Overall, Insurance and Benefits (\$1,619,900) represent 21.4% of the total Budget and overall increased by \$101,326 or 6.6% over 2010 projections.

CAPITAL BUDGET

It has been the policy to fund capital needs utilizing portion of the Fund Balance Surpluses from the respective Funds. Starting in 2011 we will explore developing policies for the use of Prior Year Reserves and categorize them by Uses(GASB 54). The development of a Capital Plan and Capital Budget will give you a clearer picture on its uses. For 2011 the following Capital Budget has been proposed (See Attachment for detail proposed purchases)

(03) FIRE PROTECTION FUND

Revenue/Expenditures

Total revenue is expected to be \$180,300 or a \$32,000(7.1%) increase over projected 2010 levels. The current tax millage brings in approx. \$102,000. An additional \$28,000 is anticipated by the increase of .06 mills bringing the total Fire Tax millage to .30 mills. The General Fund yearly transfers \$38,900 to offset operating expense. Total Expenses will be \$183 side, the Fund pays for fuel for Fire Trucks(\$23,700) for both the Eastern and Western Volunteer Fire Departments. Approximately \$33,800 is budgeted for repairs to vehicles and equipment. Training is kept at 2010 levels(\$8,000). The Township allocates \$78,000 to pay for cost to operate the fire stations. Debt service for the current fire apparatus amounts to \$38,600(GF reimburses the amount). The Non-Operating Expenditures include the purchase of a rescue truck(ESFD) for \$625,000 and plumbing upgrades (\$15,000) via a transfer from the GF. Overall, the Fire Budget relies heavily from subsidies from the General Fund Balances Reserves.

PROPOSED 2011 FIRE BUDGET

<u>REVENUES</u>	<u>FIRE FUND</u>
<u>RE TAXES</u>	\$ 132,300
<u>EARNED INCOME TAXES</u>	\$ -
<u>OTHER TAXES</u>	\$ -
<u>LICENSES & PERMITS</u>	\$ -
<u>FINES FORFEITS</u>	\$ -
<u>INTEREST & RENTS</u>	\$ 9,100
<u>STATE SHARED REVENUES</u>	\$ -
<u>CHARGES FOR SERVICES</u>	\$ -
<u>OTHER</u>	\$ 38,900
<u>TOTAL OPERATING REVENUES</u>	\$ 180,300
<u>INTERFUND TRANSFERS</u>	\$ 640,000
<u>FUND BALANCE RESERVES</u>	\$ 21,500
<u>GF TRANSFERS</u>	\$ -
<u>TOTAL TRANSFERS & FUND BALANCE</u>	\$ 661,500
<u>TOTAL REVENUES</u>	\$ 841,800
<u>EXPENSES</u>	<u>FIRE FUND</u>
<u>GENERAL GOVERNMENT</u>	\$ -
<u>PUBLIC SAFETY</u>	\$ 142,700
<u>PUBLIC WORKS</u>	\$ -
<u>CULTURE & RECREATION</u>	\$ -
<u>CONTRACTUAL PAYMENTS</u>	\$ -
<u>MISCELLANEOUS</u>	\$ 20,500
<u>INSURANCE & EMPLOYEE</u>	\$ -
<u>DEBT SERVICES</u>	\$ -
<u>TOTAL OPERATING EXPENDITURES</u>	\$ 163,200
<u>DEBT SERVICE</u>	\$ 38,600
<u>CAPITAL CONSTR</u>	\$ 640,000
<u>TOTAL EXPENDITURES</u>	\$ 841,800

Debt Service for the fire trucks is now paid directly from the Fire Fund and totals \$38,600, includes the PEMA Loan for 2005, 2008, 2009 Fire Trucks for WSFD and PEMA Loan for 1999 Fire Truck for ESFD

Debt Service Totals:

<u>ITEM</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
1999 Fire Truck	\$ 7,300	\$ 400
2005 Fire Truck	\$ 9,600	\$ 2,000
2008 Fire Truck	\$ 6,100	\$ 1,600
2009 Fire Truck	\$ 8,900	\$ 2,700
TOTAL	\$ 31,900	\$ 6,700

(04) LIBRARY TAX FUND

Revenue/Expenditures

The Township by referendum levied a .18 mills tax rate for the utilization of the Allentown Public Library. Revenues generated by the .18 mill tax are projected to be \$77,600, plus interest of \$200. Total Revenue estimated at \$77,800. Expenditures, which are assessed by the Allentown Public Library, will total \$83,700. Reserves of \$5,900 will have to be used in order to meet the Township's obligation to the Library. Statistical information on Township usage is as follows:

Salisbury circulation and patron registration statistics for 2010

	Circulation	Patron Registered
January	2752	18
February	2325	7
March	2842	20
April	2464	14
May	2386	21
June	3710	23
July	4071	44
August	3671	29
September	2598	17
Total:	23977	Total 193

Total number of patrons registered to date: **4809**

(06) WATER FUND

Revenue

Total Operating Revenue is estimated to be \$1,400,900. The Township does not anticipate a water rate increase for the year 2011. Anticipated revenue for the year 2011 from property owners paying on meter water(\$1,395,900) and Interest Earned(\$5,000). An average consumption for a family consists of 100,000 gals/yr. Total yearly bill-\$492(Gross)

Expenditures

Total Operating Expenditures of the Water Fund are expected to be \$1,390,800 including \$820,000 for the purchase of water from the Allentown Authority, \$4,300 from Bethlehem Authority and \$8,600 from SW Twp Authority. Wages allocation is expected to be \$209,300(50% PW Spv-Aide to PW Dir-FT Clerical-DPW- 2 Crew Leaders; 2 Equipment Operators; 1 Equipment Operator at 33.3%). Insurance (\$4,000) and Employee Benefits(\$126,800) are expected to total \$130,800. Capital Expenditures include replacement of the Flexer Avenue Water Line(\$150,000) and Crestline Avenue Water Line(\$150,000), the allocation of \$20,000 for the purchase of the Wheel Loader. A Transfer of \$97,500 to the General Fund will be done to distribute the cost of administrative expenses. Debt Service allocation is expected to run around \$49,400.

PROPOSED 2011 WATER FUND BUDGET

<u>REVENUES</u>	<u>WATER</u>
	<u>FUND</u>
RE TAXES	\$ -
EARNED INCOME TAXES	\$ -
OTHER TAXES	\$ -
LICENSES & PERMITS	\$ -
FINES FORFEITS	\$ -
INTEREST & RENTS	\$ 5,000
STATE SHARED REVENUES	\$ -
CHARGES FOR SERVICES	\$ 1,395,900
MISC REVENUE	\$ _____
TOTAL OPERATING REVENUES	\$1,400,900
INTERFUND TRANSFERS	\$ -
FUND BALANCE RESERVES	\$ 359,300
<u>LOAN PROCEEDS</u>	<u>\$ -</u>
TOTAL REVENUES	\$1,760,200
<u>EXPENSES</u>	<u>WATER</u>
	<u>FUND</u>
GENERAL GOVERNMENT	\$
PUBLIC SAFETY	\$
PUBLIC WORKS	\$ 320,600
CULTURE & RECREATION	\$ -
CONTRACTUAL PAYMENTS	\$ 832,900
MISCELLANEOUS	\$ 6,100
BENEFITS/INSURANCE	\$ 130,800

<u>TRANSFER/LEASES</u>	\$ 100,400
<u>TOTAL OPERATING EXPENDITURES</u>	\$ 1,390,800
	\$ -
<u>DEBT SERVICE</u>	\$ 49,400
<u>CAPITAL CONSTR</u>	\$ 320,000
<u>TOTAL EXPENDITURES</u>	\$ 1,760,200

(08) SEWER FUND

Revenue

Revenues for 2011 are expected to be \$1,368,100, comprised of annual sewer charges of \$1,361,000 and Earned Interest of \$7,100. In 2011, \$638,700 will be available from the sewer maintenance reserve fund to pay for Capital outlays. No increases are contemplated for 2011. Average yearly sewer bill-\$190(Gross)

Expenditures

Total expenditures for 2011 are expected to be \$1,529,000 including \$842,400 for disposal costs. Other costs include Wages set \$207,300 (50% PW Spv-Aide to PW Dir-FT Clerical-DPW- 2 Crew Leaders; 2 Equipment Operators; 1 EO at 33.3%). Insurance(\$4,000) and Employee Benefits(\$126,600) are expected to total \$130,600 combined make up approx. 8.5% of the Expenses. Total Wages and Benefits total \$969,000 reflect approx. 63.3% of the Budget. \$150,000 is budgeted for Inflow/Infiltration repairs. Debt Service is expected to be \$98,700. Capital Expenses include \$20,000 towards the purchase of a Wheel Loader, \$310,000 for the Patricia Drive Pumping Station project; \$110,000 for Camera System and \$100,000 for rehabilitation of the Riverside Pumping Station. Total Capital outlays is \$540,000.

PROPOSED 2011 SEWER FUND

<u>REVENUES</u>	<u>SEWER</u>
	<u>FUND</u>
RE TAXES	\$ -
EARNED INCOME TAXES	\$ -
OTHER TAXES	\$ -
LICENSES & PERMITS	\$ -
FINES FORFEITS	\$ -
INTEREST & RENTS	\$ 7,100
STATE SHARED REVENUES	\$ -
CHARGES FOR SERVICES	\$ 1,361,000
<u>TOTAL OPERATING REVENUES</u>	<u>\$1,368,100</u>
INTERFUND TRANSFERS	\$ -
<u>FUND BALANCE RESERVES</u>	<u>\$ 799,600</u>

TOTAL REVENUES	\$2,167,700
<u>EXPENSES</u>	<u>SEWER</u>
	<u>FUND</u>
GENERAL GOVERNMENT	
PUBLIC SAFETY	
PUBLIC WORKS	447,500
CULTURE & RECREATION	
CONTRACTUAL PAYMENTS	842,400
MISCELLANEOUS	8,100
INSURANCE & EMPLOYEE BENEFITS	130,600
TRANSFERS	100,400
TOTAL OPERATING EXPENDITURES	\$1,529,000
DEBT SERVICE	98,700
CAPITAL CONSTR	540,000
TOTAL EXPENDITURES	\$2,167,700

(20) DEBT SERVICE FUND

Revenue/Expenditures

This represents the refinancing Issue floated for the Police Station. All Revenues for this fund are simply transferred from the General Fund. Total Principal and Interest-\$300,700. Fees are set at \$1,100. Total Debt Service cost \$301,800. Expenditures include:

<u>ITEM</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2010 Bonds	\$237,900	\$62,800

(35) HIGHWAY AID FUND

Revenue/Expenditures

The State Liquid Fuels 2011 allocation is estimated to be \$307,577. Interest Income is expected to be \$1,200. Turnback Allocation will be \$1,100. Total Revenue is anticipated to be \$309,400. Total expenditures will be \$229,000 including \$150,000 for street lighting, \$75,000 for road salt, cinders and de-icer, \$4,000 for Traffic Lights maintenance. Other Capital uses are as follows: \$540,000 for Road Reconstruction at Flexer Avenue

from Green Acres to Lindberg Ave. and \$50,000 for the share of the expenses for a Wheel Loader. Prior year income of \$509,600 will be used to balance the Budget.

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

Randy Soriano
Township Manager