

NEW BRITAIN BOROUGH
BUCKS COUNTY
COMMONWEALTH OF PENNSYLVANIA



2017 Budget

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Introduction

About New Britain Borough



New Britain Borough is located in the suburbs of Philadelphia, in Bucks County, Pennsylvania. As of the 2010 Census, it had a population of 3,037 people.

It was carved out of New Britain Township when it was incorporated in 1928. The Borough boundaries primarily run along Business Route 202, known as Butler Ave, with Bristol Rd and New Britain Road as the ends.



In 1715, the area that was destined to become New Britain Borough and Township would be considered a Bucks County outpost of the civilization spreading from Philadelphia. Inhabitants at that time were solely “Indians and wild animals”.

The New Britain Baptist Church, founded in 1740 by the first settler families in the area, is still here almost 250 years later, caring for a loyal congregation. The graveyard is the resting place for many early patriots who served or gave their lives in the Revolution and the War of 1812. There is also a nearby WW1 Memorial.

The pioneers (predominately Welsh, followed by Scotch-Irish and later Germans) were not long in coming, and by 1723 the Township was incorporated. Included were parts of Doylestown and what were to become the Boroughs of Chalfont and New Britain, as well as a pervasive stand of timber, fertile land and flowing streams. Early roads in the area included the Butler Pike (Route 202), Limekiln Pike (Route 152) and Ferry Road, an Indian trail that became part of an early road between County Line Road from the east and west boundaries of the modern Township.



Many colonial homes and those constructed in the Revolutionary, Federal and Victorian times can be seen along these old roads. The homes in themselves spell out the history of the area as it has moved from a wilderness into modern times. The colonial log cabins and barns are gone, of course, but many of the early farm houses and the renowned Pennsylvania bank barns, both built of field stone, are still in use, which testifies to the industry and craftsmanship of those early settlers.

Reputedly, Tamenend, the Indian Chief with whom William Penn negotiated his famous treaty, was interred in this area. Henry Mercer, whose fabulous collection of 18th and 19th century tools is housed in the Mercer Museum in Doylestown, made an unsuccessful search for the grave, which remains undiscovered to this day.



During the Revolutionary War, New Britain Township contributed soldiers, wagons, blankets, and loyal support to the Revolutionary Army. New Britain Militia participated in the successful raid on Trenton as Washington led his troops across the Delaware in the Battle of Germantown, the skirmish at Crooked Billet and, in general, made a small, but significant, contribution toward winning the War of Independence.

New Britain obtained a greater access to the outside world when a branch of the North Pennsylvania Railroad opened in 1856. This spur, terminating in Doylestown, connected with the main Reading Railroad tracks at Lansdale, and provided passage to Philadelphia, Reading and points north and south. Today, the Borough is fortunate to have two SEPTA regional stations near its borders, one at Delaware Valley University, and another near the intersection of Butler Ave and Tamenend Ave.

Through the years, the Township remained primarily agricultural in nature, with only isolated industries such as grist and saw mills. As recently as 1930, there were 99 operating farms in the Township, providing a major source of food for the Philadelphia area. Today there are but four dairy farms left as an increasing number of people move in to enjoy life in a community which still retains much of its atmosphere and charm.

Part of that charm are the Borough parks/open spaces, including Covered Bridge Park, Orchard Park, and the Wilma Quinlan Nature Preserve.

For the future, the Borough is working through its recently adopted “Main St” plan to develop a walkable community and closer ties with Delaware Valley University, whose students make up nearly one fourth of the Borough population. The Borough expects future development in the “University Village” area to complement the rural heritage of the “Historic Residential” and industry/commercial focused “Town Center” districts.

Borough Manager Budget Message

Introduction

I am pleased to present the Borough’s proposed 2017 budget for your review and consideration. As always, in developing the proposed budget for the upcoming year, the Borough continues to be prudent in both its revenue projections and its proposed annually occurring expenditures. The efficient and effective delivery of quality municipal services has always been and continues to be the goal. The Borough has, and will continue to, concentrate on the delivery of core services such as police, roads, building/codes, fire/emergency medical services, storm water management, parks and recreation, and planning and zoning.

2016 Review

The Borough had a projected shortfall of nearly \$199,000 that was to be made up using financial reserves. Thanks to the efforts of staff and volunteers, the projection for yearend will be a shortfall of only \$19,000. This was largely due to increased revenues resulting from Borough economic development efforts and a thorough review to reduce expenditures. For example, the Borough signed a four year electric contract that reduces electricity costs by about one third, found a local vendor to replace the Admin Office roof for half the cost, found a copier for one-tenth of the budget cost, 537 Plan services for half the budgeted cost (and will apply for a grant to pay half of that), and made changes to how Planning and Zoning services are administered to save costs and improve outcomes. In addition, factors beyond the control of the Borough positively influenced the budget, such a light snowfall year (half of which is being paid by a FEMA grant) and a better than expected budget year for the Regional Police.

2017 Budget Overview and Goals

At the end of 2015, the Borough established a formal “Financial Advisory Committee” to serve as a volunteer advisory group on financial matters. Their guidance was critical to the improved performance of the 2016 Budget and drafting of the 2017 Budget. Their work on a five year plan is also noted in detail later in this document.

The 2017 Budget works to advance multiple goals of the Borough as its works to achieve its vision of a walkable community that is a drive to, instead of a drive through community. The 2017 Budget does not use savings to balance the budget, nor does it include any tax increases.

The specific changes are noted later in the document for each fund, but the major goals were to:

- Continue implementation of the “Main St” Plan
- End the use of fund balance that had been ongoing for the past few years
- Invest appropriately in Borough infrastructure, including its staff and volunteers

This budget creates a Capital Fund, which will be used to monitor and allocate Borough revenues and expenditures related to such projects (those which cost \$1,000 or more, and have a life greater than one year).

Closing

Under the direction of our elected officials, and with the dedication of our volunteers, staff, and our consultants, the Borough continues to actively plan for the future, all the while delivering quality services to community and investing in its infrastructure. The Borough is moving in a direction of greater financial health and sustainability in the long term. It is the goal to continue to provide first rate municipal services while maintaining the long-term financial health of the organization. Continued vigilance and prudent decision making will insure that this trend continues into the future.

Description of Borough's Fund Structure

New Britain Borough uses several Funds to account for its fiscal transactions. Each Fund is a separate accounting and reporting entity. As such, its assets will equal the total of its liabilities and fund balance (also known as net assets or equity). In governmental accounting, funds are classified as governmental funds, proprietary funds or fiduciary funds.

Governmental funds account for the activities of the Borough that are not considered proprietary (business-type) or fiduciary. There are two types of proprietary funds – enterprise funds and internal service funds. enterprise funds operate in a manner similar to a private business. Their intent is to recover the costs of providing services to the general public on a continuing basis through user fees. Fiduciary funds account for “other people’s money” that the Borough is responsible for (such as escrows for land development). The Borough does not have any internal service or enterprise funds at this time.

The budgetary funds and their descriptions are as follows:

General Fund – The *General Fund* is the Borough’s main operating fund. The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund, either by law or Generally Accepted Accounting Principles (GAAP). Most of the Borough’s real estate property taxes and all earned income tax revenues are receipted into the *General Fund*. The majority of Borough expenditures are made from the General Fund, including salaries and all benefits for Borough employees/contractors. The Borough also keep its “street tree” and “stormwater” funds in a separate bank account that is tied with the general fund.

Capital Fund – The *Capital Fund* is a governmental fund that is used to account and report on financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The *Capital Fund* receives its revenue from inter-fund transfers from the General Fund, grants and/or debt. Payments on the Borough’s debt are made from the *Capital Fund*.

Liquid Fuels Fund – The *Liquid Fuels Fund* is a special revenue fund which is used to account for all revenues and expenses related to Liquid Fuels receipts from the Commonwealth of Pennsylvania. The *Liquid Fuels Fund* is restricted by statute; it can only be used for specific expenses related to the maintenance of roads within the Borough. All revenues, except for interest, are received from the Commonwealth from a formula based on the mileage of Borough roads and the population of the

Borough.

Recreation Fund – The *Recreation Fund* allocates the property tax millage dedicated to parks and Bike/Hike. It is used for the Borough’s mandatory payment to the Groner estate, maintenance of Orchard Park, and as a match for streetscape and trail projects.

Groner Fund – The *Groner Fund* is a quasi-endowment left to the Borough by Dr. Miriam Groner. It derives revenue from a payment from the Recreation Fund, rental income from the Groner House, and the investment earnings of the fund. The Borough is restricted in its use currently to maintenance of the Wilma Quinlan Nature Preserve and to investigating the expansion of the Preserve.

Public Safety Fund – The *Public Safety Fund* is a pass-through fund that collects the millage and LST dedicated to Fire/EMS and distributes the monies accordingly.

The Borough also has one fiduciary fund – the Non-Uniform Pension Plan. This plan is managed by an outside administrator (Univest), chosen by Borough Council. The plan is audited annually and separate audited financial statements are issued. This is not included in this budget document, but is included in the New Britain Borough’s annual audited financial reports.

Projected Changes in Fund Balances

	2015 Actual	2016 Projected	2017 Projected	2018 Projected	2019 Projected
General	224,066.61	205,484.51	216,994.44	217,218.65	227,444.09
Recreation	19,953.18	10,306.40	41,056.40	25,381.40	39,881.40
Public Safety	813.39	393.87	443.87	493.87	543.87
Liquid Fuels	99,623.07	52,971.85	11,041.04	568.96	3,096.88
Capital	0.00	0.00	0.00	545.52	1,091.04
Groner	781,368.87	791,226.33	799,913.32	815,911.58	836,309.37
Totals	1,125,825.12	1,060,382.96	1,069,449.07	1,060,119.98	1,108,366.65

As shown in the chart above, Borough Fund balances are generally expected to increase the next few years.

Due to their limited scope of use, it was determined that there was no benefit to keeping large fund balances in reserve for the Capital, Public Safety and Liquid Fuel Funds. The Groner Fund has to be maintained in perpetuity, so the goal is to ensure it has enough of a fund balance to generate investment revenue sufficient to maintain the Wilma Quinlan Nature Preserve and outpace inflation.

It is recommended for the General Fund to keep at least 10-15% of annual expenses, which means it should never be below \$150,000. As the Borough receives the bulk of its revenues in May of each year, it is critical to have that buffer in place each winter.

The fund balance in the Recreation Fund is to be reserved for projects that advance the goals of the Butler Ave “Main St Plan” and the New Britain Borough Master Trail Plan. These numbers include funds allocated for PECO and DCNR grants to provide ADA compliance to Orchard Park, which will still need approval from Council and the grant agencies. If neither were approved, the Rec Fund would have an additional \$30,000 available.

Budget Schedule

<u>Activity</u>	<u>Date Completed</u>	<u>Date Required by Statute</u>
Financial Advisory Committee met with Borough staff and Committees to discuss 2017 needs	Summer 2016	N/A
Manager/Treasurer prepared initial budget worksheet	September 2016	N/A
Budget Worksession Held	October 4, 2016	N/A
Second Budget Worksession Held	November 2, 2016	N/A
Borough Manager requests Council Members to authorize advertising the budget	November 7, 2016	N/A
Budget is advertised in the Intelligencer as required by Pa. Statute	Before November 18, 2016	20 Days prior to Adoption
Borough Manager presents the final budget to Borough Council and recommends voting to accept it	December 13, 2016	Prior to December 31, 2016

Process for Budget Amendments

The Borough Code of Pennsylvania permits during the month of January next following a municipal election, the council of a borough may amend the budget and the levy and tax rate to conform with its amended budget. A period of ten days' public inspection at the office of the borough secretary of the proposed amended budget, after notice by the borough secretary to that effect is published once in a newspaper of general circulation, must intervene between the proposed amended budget and its adoption. An amended budget must be adopted by council on or before the 15th day of February.

There is no municipal election in 2016, so there will be no amendment to the budget in 2017.

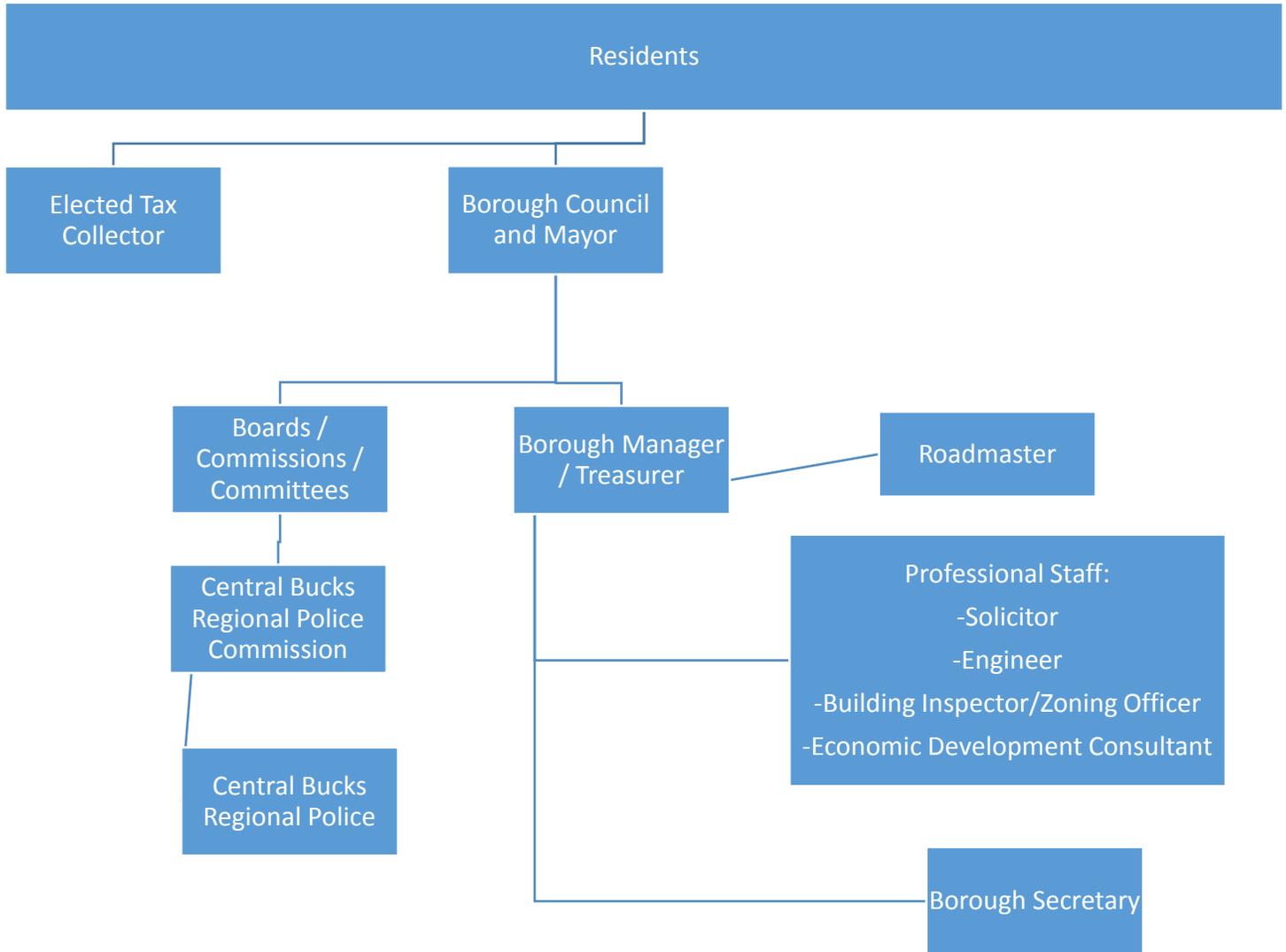
New Britain Borough Five Year Plan

A major and successfully completed goal of the Borough Financial Advisory Committee was to create a five year plan. This plan will allow Borough officials to be more informed and proactive in decision making.

It uses a model that updates only when Borough Council makes major decisions that affect the budget and otherwise uses contractual or inflationary expectations. When requested by Council, the Financial Advisory Committee uses this model to track the impact of various options on Borough finances. As part of completing this plan, the group also came up with a new Chart of Accounts to help better describe and allocate Borough revenues and expenses.

Government Structure

New Britain Borough Organizational Chart



SUMMARY OF STAFF POSITIONS*

	2017	2016	2015
Full Time:			
Administrative	2	2	2
Part Time:			
Codes	0	0	1
Roads	1	1	1
Finance	0	0	1
Total:	3	3	5

During 2016, the Borough Treasurer, a part time Finance employee, retired and the Treasurer duties were assigned to the Borough Manager. Also during 2016, the Borough transitioned from a part time Zoning Officer to a contracted employee to provide zoning and code services. The Borough also participates in a Regional Police Force, and has contracted labor for the following positions: Legal, Economic Development and Engineering

**Statistics are as of the end of each year presented.*

2017 Budget

Budget Figures (Old Chart of Accounts)

Fund 01 - General Fund

Revenue / Expense	2015 Actual	2016 Projected	2017 Budgeted
301.10 · Real Estate Tax - RE	759,189.28	785,000.00	790,000.00
301.30 · Real Estate Tax Delinquent	23,756.71	20,000.00	21,000.00
310.10 · Real Estate Transfer Tax	65,295.47	85,000.00	50,000.00
310.21 · Income Tax - Earned	337,658.70	352,000.00	370,000.00
310.50 · Local Services Tax	45,144.01	40,000.00	42,000.00
320.00 · Contractor registration	1,700.00	2,100.00	1,800.00
320.01 · Deed registrations	350.00	400.00	300.00
320.03 · sign permits	2,960.20	3,089.00	3,500.00
321.80 · Cable TV Franchise Fee	59,134.16	59,500.00	60,095.00
331.12 · Police Fines	15,713.02	10,500.00	12,000.00
332.00 · Police Reports	0.00	0.00	0.00
341.00 · Interest Income	1,658.34	1,000.00	2,000.00
354.03 · Comm Dev Burkart Hall	109,935.00	0.00	0.00
354.06 · DVRPC TCDI Grant	0.00	0.00	0.00
354.15 · State Oper.Grants	6,649.00	7,104.00	5,500.00
355.01 · Pa. Utility Realty Tax	1,624.84	1,571.60	1,600.00
355.06 · Pension State Aid	0.00	8,749.29	9,000.00
355.08 · St. Alcoholic Beverage Tax	200.00	200.00	200.00
361.30 · Zoning & Development Permits	6,665.29	32,000.00	15,000.00
361.33 · Stormwater Management Fees	6,000.00	3,600.00	4,000.00
361.34 · Zoning Hearing Revenue	8,500.00	5,000.00	4,000.00
361.40 · Plan Administration Fees	169.65	500.00	1,500.00
362.41 · Public Safety Building Permits	28,817.55	40,500.00	45,000.00
363.99 · bid specs	200.00	350.00	500.00
367.01 · Newsletter Income	1,575.00	1,200.00	1,500.00
367.40 · Camp Receipts	53,650.00	61,011.00	61,621.11
387.00 · contributions	0.00	0.00	1,000.00

389.00 · Miscellaneous Revenue	72.50	1,530.26	500.00
395.00 - Refund of Prior Year Expenditures		1,527.00	0.00
Transfer of Outdated Special Reserve		50,945.62	0.00
Trasnfer of Outdated Payroll		256.01	0.00
DVHIT Grant	0.00	0.00	250.00
PSATS Intern Grant	0.00	5,000.00	0.00
Greenways Grant	0.00	150,000.00	0.00
Incubator Revenue	0.00	0.00	0.00
Total Income	1,536,618.72	1,729,633.78	1,503,866.11
400.00 · Council Expenses	4,775.94	4,519.51	7,000.00
401.12 · Manager Salary	60,089.95	70,730.74	75,000.00
401.15 · Payroll Tax Expense	18,484.46	15,000.00	14,634.02
401.20 · Gen. gov't Supplies & Expenses	4,031.17	3,975.68	18,000.00
401.70 · General Gov't, Capital Purchase	0.00	20,500.00	0.00
402.12 · Fin. Administration; Treas. Sal	21,620.52	2,904.49	0.00
402.31 · Fin. Admin; Other Expenses	5,348.37	6,659.45	6,500.00
403.10 · Tax Collector, Salary	7,505.94	7,731.00	7,731.00
403.20 · Tax Coll. Supplies & Svs.	545.90	553.86	800.00
403.30 · Tax Coll; Berkheimer	764.13	409.10	0.00
403.31 · Tax Coll; Keystone	0.00	0.00	0.00
404.31 · Lawyer Fee	15,429.25	21,000.00	22,000.00
405.12 · Secretary, Salary	34,459.06	34,000.00	36,056.80
405.20 · Secretary Supplies & Services	4,861.89	4,629.06	0.00
406.00 · Other General Government Admin.	881.47	475.05	0.00
406.10 · Advertising	3,984.84	6,250.00	5,000.00
407.20 · Office equip supplies/services	21,413.05	9,500.00	0.00
408.31 · Engineering Fee	16,025.00	11,000.00	36,500.00
409.36 · Bldgs & Grounds; Utility & Ser	11,388.21	11,000.00	7,000.00
409.37 · Buildings & Grounds; Repair	7,728.07	7,500.00	2,000.00
409.38 · Burkart Hall Improvements	5,032.74	4,530.39	0.00

409.40 · Burkart Hall Groner Loan	0.00	5,990.00	0.00
410.10 · CBRPD expense	918,781.73	894,408.00	942,572.00
410.14 · Police Pension MMO	5,905.66	53,770.26	45,559.00
410.36 · Burkart Hall Utilities & Mnt.	2,233.33	3,200.00	2,500.00
411.30 · Public Safety Fire Hydrants	6,415.00	6,000.00	6,500.00
414.13 · Planning and Zoning Wages	39,664.97	26,831.25	0.00
414.30 · Planning&Zoning	36,406.82	33,000.00	55,000.00
414.31 · Business Dev. Consultant	20,000.00	20,000.00	20,000.00
414.40 · Zoning Hearing Expense	9,063.50	2,500.00	3,500.00
415.00 · Emergency Management	0.00	363.88	500.00
426.20 · Recycling Grant Services	1,824.50	2,000.00	2,000.00
430.12 · Roads; Supervisor Salary	17,118.75	15,000.00	18,000.00
431.00 · Roads; Street Cleaning	1,334.22	1,374.67	1,400.00
432.20 · Roads; Snow Removal	35,788.35	10,690.15	30,000.00
433.20 · Road; Traffic signals	4,313.49	1,000.00	3,000.00
434.35 · Roads;Street Lighting	43,471.45	21,538.49	20,000.00
436.00 · Roads;Storm Sewer & Drains	6,132.79	8,000.00	0.00
437.30 · Roads;Other svcs. & charges	855.41	8,000.00	2,500.00
438.30 · Roads;Roads & Bridge Maint.	8,149.92	3,810.94	0.00
451.59 · Comm Dev Grant Burkart Hall	152,571.22	34,371.46	0.00
451.61 · DVRPC TCDI Grant Exp	10,000.00	104.36	0.00
452.01 · Camp Expense	6,534.52	5,038.67	5,000.00
452.02 · Camp Payroll	35,951.77	34,591.53	35,283.36
454.00 · Open Space	441.25	0.00	0.00
459.05 · Newsletter Expense	0.00	0.00	3,000.00
483.30 · Non-Uniformed Pension MMO	0.00	7,487.00	11,850.00
486.00 · General Insurance	13,010.33	13,588.08	14,000.00
486.70 · Health Insurance	4,120.72	15,300.00	25,000.00
486.80 · Health Insurance Opt Out	6,000.00	0.00	0.00
Intern	0.00	5,000.00	0.00

Transfer to Capital Fund		0.00	0.00	15,500.00
Greenways Grant		0.00	255,070.31	0.00
CMAQ Grant		0.00	17,318.50	0.00
Historic Preservation		0.00	0.00	1,500.00
Total Expense		1,630,459.66	1,748,215.88	1,502,386.18
Surplus (Deficit) for the Year		\$224,066.61	(\$18,582.10)	\$1,479.93
Accumulated Surplus (Deficit)		\$224,066.61	\$205,484.51	\$216,994.44
Fund 03 - Public Safety				
Revenue / Expense		2015 Actual	2016 Projected	2017 Budgeted
301.10 · Real Estate Fire		40,168.74	41,000.00	41,500.00
301.20 · Real Estate Ambulance		16,067.49	16,500.00	16,750.00
301.30 · Real Estate Delinq Fire		1,294.41	1,000.00	1,300.00
301.40 · Real Estate Delinq Ambulance		517.76	500.00	525.00
301.50 · LST Fire		22,571.80	20,000.00	21,000.00
301.60 · LST Ambulance		22,571.80	20,000.00	21,000.00
341.00 · Interest Income		49.26	30.00	50.00
354.00 · State Fire Relief		24,730.69	24,550.48	25,000.00
		127,971.95	123,580.48	127,125.00
411.01 · Chalfont Fire Expenses		34,276.74	33,700.00	34,780.00
411.02 · Doylestown Fire Expense		23,809.14	23,000.00	23,720.00
411.04 · Fire - Workmans Comp Insurance		5,567.00	5,300.00	5,300.00
412.01 · Chal-brit EMS Expense		23,264.99	22,200.00	22,965.00
412.02 · Central Bucks EMS Expense		15,510.00	14,800.00	15,310.00
413.00 · State Fire Relief Expense		24,730.69	25,000.00	25,000.00
		127,158.56	124,000.00	127,075.00
Surplus (Deficit) for the Year		813.39	-419.52	50.00
Accumulated Surplus (Deficit)		813.39	393.87	443.87
Fund 04 - Groner				
Revenue / Expense		2015 Actual	2016 Projected	2017 Budgeted

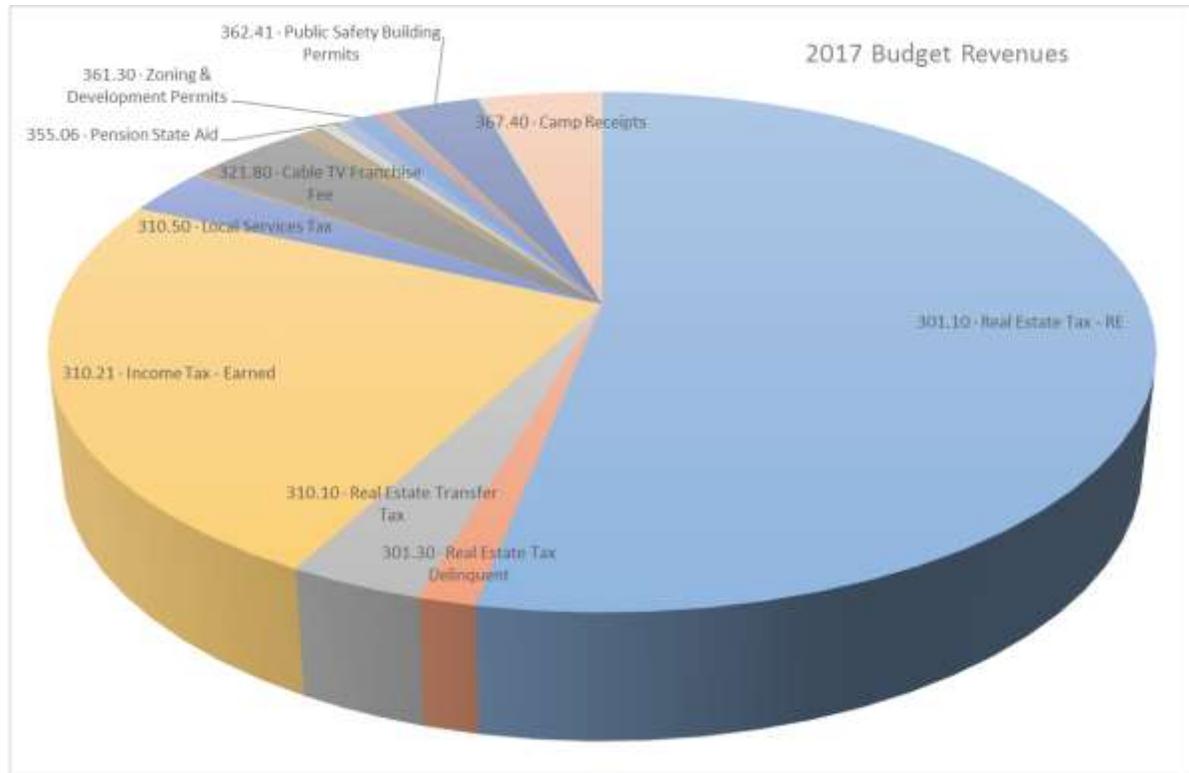
341.00 · Interest & Dividend Income	7,920.98	9,500.00	9,750.00
342.00 · Groner Rental Income	18,900.00	19,020.00	19,020.00
367.00 · Tenant Sewer Payment	518.88	550.00	582.00
392.01 · Revenue from General Fund	0.00	2,500.00	2,500.00
392.90 · Tfrs from Rec Fund	-1,000.00	0.00	0.00
Transfer Operating Fund Balance to Endowment			2,116.99
Total Income	26,339.86	31,570.00	33,968.99
454.01 · Property Maintenance	14,401.90	13,000.00	12,500.00
454.71 · Land Acquisition	0.00	0.00	0.00
459.20 · Building Maintenance	2,679.61	3,000.00	7,000.00
459.40 · Grounds Maintenance	760.00	1,000.00	1,000.00
459.50 · Insurance	999.63	780.00	800.00
459.70 · Real Estate Taxes	3,355.16	3,355.16	3,400.00
459.80 · Water & Sewer	577.38	577.38	582.00
459.90 · Legal	0.00	0.00	0.00
	22,773.68	21,712.54	25,282.00
Surplus (Deficit) for the Year	781,368.87	9,857.46	8,686.99
Accumulated Surplus (Deficit)	781,368.87	791,226.33	799,913.32
Fund 05 - Recreation Fund			
Revenue / Expense	2015 Actual	2016 Projected	2017 Budgeted
301.40 · RE Tax Recreation Deliquent	652.04	1,200.00	525.00
301.80 · Real Estate Taxes Current	64,269.99	24,500.00	24,750.00
341.00 · Interest Income	77.56	25.00	75.00
354.01 · Greenways Trail Grant	0.00	0.00	0.00
354.02 · CMAQ Grant	0.00	0.00	169,600.00
353. 04 - PECO Grant	10,000.00	0.00	0.00
357.00 - County Open Space Grant	57,369.00	0.00	0.00
354.03 · TAP Grant (B&H over railroad)	0.00	0.00	150,000.00
Bird Town Donations	0.00	325.00	470.00

DCNR Small Communities Grant	0.00	0.00	0.00
Funds from Biagioli sidewalk waiver	0.00	0.00	10,000.00
Funds from General Fund	0.00	0.00	0.00
	132,368.59	26,050.00	355,420.00
402.01 - Bank Fees	175.98	0.00	0.00
451.50 · Orchard Park Maintenance	1,400.00	5,000.00	6,000.00
451.53 · Recreation	1,579.09	1,580.13	1,700.00
451.54 · Greenways, Trails Grant Expense	47,566.30	0.00	0.00
451.55 · CMAQ Grant Expense	17,852.71	5,600.00	169,000.00
451.56 - Dest Peace Valley	72,378.20	0.00	0.00
451.57 - Neshaminy Greenway	11,798.00	0.00	0.00
451.58 - Del Val Trail	266.40	0.00	0.00
451.59 · Tap Grant	0.00	10,000.00	145,000.00
DCNR Small Communities Grant	0.00	0.00	0.00
451.60 · PECO Grant Orchard Park	11,872.50	11,016.65	0.00
492.06 · Transfer to Groner Fund	2,500.00	2,500.00	2,500.00
Bird Town Expenses	0.00	0.00	470.00
	167,389.18	35,696.78	324,670.00
Surplus (Deficit) for the Year	-35,020.59	-9,646.78	30,750.00
Accumulated Surplus (Deficit)	19,953.18	10,306.40	41,056.40
Fund 30 - Capital			
Revenue / Expense	2015 Actual	2016 Projected	2017 Budgeted
Transfer from General Fund			15,500.00
Property Tax Millage			
Revenue from Debt Issuance			800,000.00
DVIT Safety Grant			0.00
County DES Grant			0.00
PEMA Grant			0.00
FEMA Grant			0.00
Sale of Assets			0.00
Interest Income			100.00
Total Income			815,600.00
Debt Service - Groner Loan			5,990.00
Police Building and Lease			800,000.00

Debt Service - Police Building and Lease				0.00
Stormwater Fund Contribution				4,000.00
Burkart Hall Public Water				5,500.00
Total Expense				815,490.00
Surplus (Deficit) for the Year				110.00
Accumulated Surplus (Deficit)				110.00
Fund 35 - Liquid Fuels Fund				
Revenue / Expense	2015 Actual	2016 Projected	2017 Projected	
341.00 · Interest Income	338.34	250.00	100.00	
355.02 · Motor Vehicle Fuel Tax	69,359.69	80,986.26	82,969.19	
Transfer from General Fund	0.00	0.00	0.00	
Debt Issuance Proceed				775,000.00
Total Income	69,698.03	81,236.26	858,069.19	
438.10 · Maintenance & Repairs Roads & Bridges	21,765.40	115,887.48	900,000.00	
Streetlights	0.00	12,000.00	0.00	
Debt Service - Road Repairs	0.00	0.00	0.00	
Total Expense	21,765.40	127,887.48	900,000.00	
Surplus (Deficit) for the Year	47,932.63	-46,651.22	-41,930.81	
Accumulated Surplus (Deficit)	99,623.07	52,971.85	11,041.04	

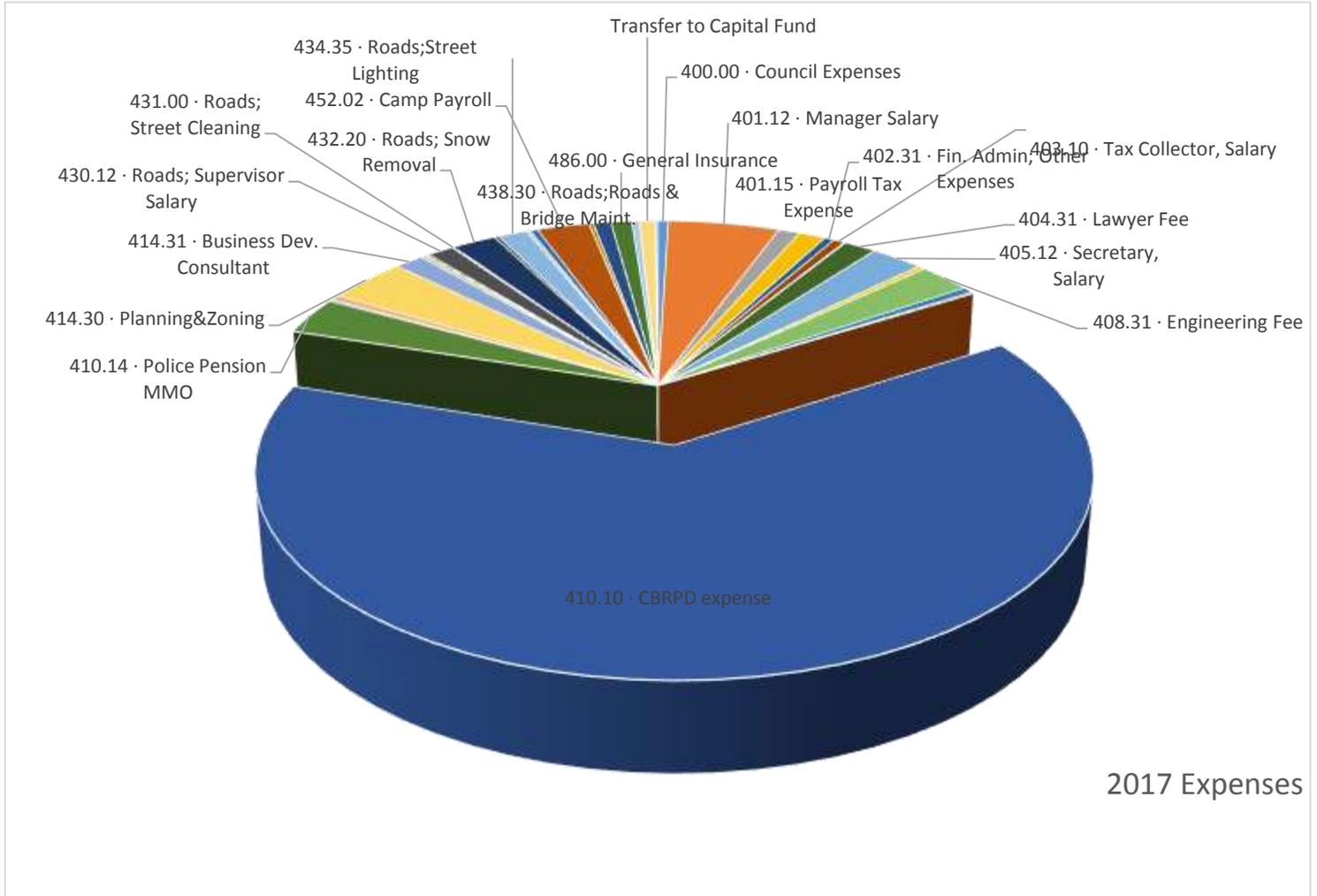
General Fund Budget Detail

Revenues



General Fund revenues are very dependent on property taxes, with more than half of revenues in 2017 coming from this source. Other important revenues are Earned Income Tax (a 0.5% tax collected from people who live in the Borough with earned income), Local Services Tax (a \$52 tax paid by people who work in the Borough), permits, and Cable TV Franchise Fees (paid by Verizon/Comcast to have wires in Borough right of way).

Expenses



Nearly two-thirds of General Fund expenses are the Regional Police. The Regional Police costs between each municipality are determined according to a formula from the state Department of Economic and Community Development (DCED), shown in the chart on the next page. Most of the police costs are determined by the labor agreement negotiated between the Police Commission and labor unions. The current Regional Police Intergovernmental Agreement and also the Labor Contract runs through 2020.

COST DISTRIBUTION PER MUNICIPALITY FOR 2017 (Fiscal Year)
Based on
An Average of Population, Calls for Service, Crimes and Road Miles
(Service and Crimes based on: 2013, 2014, 2015)

PD	Total Population	% Pop	3 Yr Call Avg	% Calls	3 Yr Avg Crimes	% Crimes	Total Road Miles	% Road Miles	Average Percent
DB	8,380	54.32%	12,420	67.84%	587	69.06%	26	48.15%	59.84%
NBB	3,037	19.69%	3,675	20.07%	125	14.70%	13	24.07%	19.63%
CHAL	4,009	25.99%	2,214	12.09%	138	16.24%	15	27.78%	20.53%
TOTAL	15,426	100%	18,309	100%	850	100%	54	100%	100%

Remaining important expenses are staff and consultant salaries as well as allocations to support the Liquid Fuels and Capital Funds.

Debt

Current Debt

The only outstanding the debt the Borough has is an interfund debt of \$50,000 the Borough began repaying in February 2016. This debt is \$50,000 from the Groner Fund to make up the difference between County grant funds and actual expenditures for Burkart Hall ADA enhancements.

The Borough is repaying this debt at a fixed rate of 3.7% for the next ten years. This debt is being paid in equal installments of \$499.13 each month from the General Fund. As the annual cost of this debt service is \$5,989.56, it has no impact on Borough operations. For the 2017 Budget, this payment is being moved to the Capital Fund.

Debt Limits

Article IX, Section 10 of the Constitution of the Commonwealth of Pennsylvania requires the General Assembly to prescribe the debt limits of units of local governments in the Commonwealth, including the Borough, based on a percentage of total revenues of such units over a three-year period immediately preceding the borrowing. Self-liquidating debt and subsidized debt and all debt approved by referendum are excluded from such debt limits. The Debt Act implements Article IX, Section 10 of the Constitution.

Under the Debt Act, the Borough may not incur any new non-electoral debt, if, following its issuance, the aggregate net principal amount of outstanding non-electoral debt of the Borough will exceed 250 percent of its borrowing base. In addition, the Borough may not incur any new lease rental debt or non-electoral debt if, following the issuance thereof, the aggregate net principal amount of outstanding non-electoral and lease rental debt of the Township will exceed 350 percent of its borrowing base. The borrowing base of the Borough is defined in the Debt Act as the arithmetic average of the total revenues of the Borough for the three full fiscal years of the Borough immediately preceding the date on which new non-electoral debt or new lease rental debt is incurred. Total revenues include all revenues of the Borough, other than certain non-recurring or dedicated revenues set forth in the Debt Act.

The borrowing base of the Borough is calculated to be \$1,520,466. This number was calculated by adding together the actual revenue from 2014 (\$1,450,145), actual revenue from 2015 (\$1,536,619) and projected revenue from 2016 (\$1,574,633), divided by the total number of years (3).

The gross borrowing capacity of the Borough is \$3,801,165 and \$5,321,631 under the net non-electoral debt and net non-electoral and lease rental debt, respectively. The former was calculated by multiplying the borrowing base by 250 percent, and the latter by multiplying the borrowing base by 350 percent. As the Borough has no external debt, the full value of both amounts is available for use.

Future Planned Debt

As part of its Regional Police Agreement, the Borough would be responsible for its share of the cost of a new police building, which would be divided equally amongst its current membership.

Tentatively, it is expected that a new police building would be constructed in 2018, and that the Borough would be responsible for one-third of the total cost. According to architectural estimates, the building would cost \$1.8 million. With three members in the Regional Police (Chalfont Borough, Doylestown Borough, New Britain Borough), the Borough would be responsible for 1/3 of this cost. In addition, the Police Commission members will need to make the bulk of the lease payments on the 99 year lease with the Heritage Conservancy in the first few years. The total cost is expected to be around \$800,000, which would be borrowed with a 20 year repayment.

Also, instead of doing roads piecemeal each year, it is planned to take out debt in 2017 to do all the work at once, and use already allocated roadway funds to pay the reduced maintenance and debt service. The specific amount needed for this work would be known once the Borough does a thorough examination of roadway conditions, and could range from \$100,000 to \$900,000.

<u>Account Name</u>	<u>2017 Budgeted Amount</u>		<u>Account Name</u>	<u>2017 Budgeted Amount</u>
General Fund			General Fund	
301.10 · Current Year Property Taxes	\$790,000		400.00 · Conferences and Trainings	\$7,000
301.30 · Delinquent Property Taxes	\$21,000		401.12 · Manager Salary	\$80,000
310.10 · Real Estate Transfer Tax	\$50,000		401.20 · General Supplies and Services	\$18,000
310.20 · Earned Income Taxes	\$370,000		402.31 · Financial Services (Payroll and Auditor)	\$6,500
310.50 · Local Services Tax	\$42,000		403.10 · Tax Collector, Salary	\$7,731
320.01 · Contractor registration	\$1,800		403.20 · Tax Coll. Supplies & Svs.	\$800
320.02 · Deed Registrations	\$300		404.31 · Lawyer Fee	\$22,000
320.03 · Sign Permits	\$3,500		405.12 · Secretary, Salary	\$36,057
321.80 · Cable TV Franchise Fee	\$60,095		406.28 · Newsletter Supplies and Publishing	\$3,000
330.00 · Police Fines and Reports	\$12,000		406.34 · Advertising	\$5,000
341.00 · Interest Income	\$2,000		406.43 · Payroll Taxes	\$15,134
354.07 · DVHIT Grant	\$250		408.31 · Engineering Fee	\$36,500
354.15 · State Recycling Grant	\$5,500		409.36 · Bldgs & Grounds; Utility & Ser	\$9,500
355.01 · PA Utility Realty Tax	\$1,600		409.37 · Buildings & Grounds; Repair	\$2,000
355.06 · Pension State Aid	\$9,000		410.31 · Central Bucks Regional Police Payments	\$942,572
355.08 · PA Alcoholic Beverage Tax	\$200		411.30 · Public Safety Fire Hydrants	\$6,500
361.30 · Zoning & Development Permits	\$15,000		413.31 · Contracted Code Enforcement and Inspections	\$55,000
361.33 · Stormwater Management Fees	\$4,000		414.31 · Business Dev. Consultant	\$20,000
361.34 · Zoning Hearing Revenue	\$4,000		414.40 · Zoning Hearing Expense	\$3,500
361.40 · Plan Administration Fees	\$1,500		415.00 · Emergency Management	\$500
362.41 · Building Permits	\$45,000		430.12 · Roadmaster Salary	\$18,000
363.99 · Bid Specifications Fees	\$500		431.00 · Roads Street Cleaning	\$1,400

367.01 · Newsletter Income	\$1,500		432.00 - Snow Removal and Salting	\$30,000
367.40 · Camp Receipts	\$61,621		433.00 - Traffic Signal Repair / Maintenance	\$3,000
389.00 · Miscellaneous Revenue	\$1,500		434.36 - Street Lighting Repair / Maintenance	\$20,000
Total Income	\$1,503,867		438.00 - Road Maintenance and Repair	\$2,500
			451.62 · Recycling Grant Consultant	\$1,750
			452.20 - Summer Camp Supplies and Services	\$5,000
			452.14 - Summer Camp Payroll	\$35,283
			483.10 - Police Pension Required Municipal Contribution	\$45,559
			483.30 - Non-Uniformed Pension Contribution	\$11,850
			486.20 - Bonds, Liability and Property Insurance	\$14,000
			486.70 · Health Insurance	\$25,000
			492.30 - Transfer to Capital Fund	\$15,500
			453.01 - Historic Preservation	\$1,500
			Total Expense	\$1,502,386
Public Safety Fund			Public Safety Fund	
301.11 · Fire Property Taxes	\$41,500		411.01 · Chalfont Fire Expenses	\$41,535
301.12 · Ambulance Property Taxes	\$16,750		411.02 · Doylestown Fire Expense	\$28,224
301.31 · Fire Delinquent Property Taxes	\$1,300		411.04 · Fire - Workmans Comp Insurance	\$5,300
301.32 - Ambulance Delinquent Property Taxes	\$525		412.01 · Chal-brit EMS Expense	\$11,010
310.54 - Fire Local Services Tax	\$21,000		412.02 · Central Bucks EMS Expense	\$7,340
310.55 - Ambulance Local Services Tax	\$21,000		413.00 · State Fire Relief Expense	\$25,000
341.00 · Interest Income	\$50		Total Expense	\$118,409
354.00 · State Fire Relief	\$25,000			
Total Income	\$127,125			

<u>Groner Fund</u>				<u>Groner Fund</u>	
341.00 · Interest & Dividend Income	\$9,750			409.36 · Water & Sewer	\$582
342.00 · Groner Rental Income	\$19,020			409.37 · Building Maintenance	\$8,000
342.46 · Tenant Sewer Payment	\$582			409.43 · Building Property Taxes	\$3,400
392.05 · Transfer from Recreation Fund	\$2,500			454.01 · Nature Preserve Maintenance	\$12,500
395.00 · Transfer Operating Fund Balance to Endowment	\$2,117			486.00 · Insurance	\$800
Total Income	\$33,969			Total Expense	\$25,282
<u>Recreation Fund</u>				<u>Recreation Fund</u>	
301.15 · Recreation Property Taxes	\$24,750			451.55 · CMAQ Grant Expense	\$169,000
301.30 · Recreation Delinquent Property Taxes	\$525			451.59 · Tap Grant	\$145,000
341.00 · Interest Income	\$75			454.00 · Orchard Park Maintenance	\$6,000
354.02 · CMAQ Grant	\$169,600			457.00 · 4th of July Parade	\$1,700
354.03 · TAP Grant (B&H over railroad)	\$150,000			459.00 · Bird Town Expenses	\$470
363.10 · Sidewalk Fund Contribution	\$10,000			492.04 · Transfer to Groner Fund	\$2,500
367.30 · Bird Town Donations	\$470			Total Expense	\$324,670
Total Income	\$355,420				
<u>Capital Fund</u>				<u>Capital Fund</u>	
341.00 · Interest Income	\$100			470.01 · Groner Loan Payment	\$5,990
392.01 · Transfer from General Fund	\$15,500			493.73 · Police Building and Lease	\$800,000
393.10 · Revenue from Debt Issuance	\$800,000			493.72 · Burkart Hall Public Water	\$5,500
Total Income	\$815,600			436.00 · Stormwater Fund Contribution	\$4,000
				Total Expense	\$815,490
<u>Liquid Fuels Fund</u>				<u>Liquid Fuels Fund</u>	
341.00 · Interest Income	\$100			438.00 · Road Maintenance and Repairs	\$900,000

355.02 · Motor Vehicle Fuel Tax	\$82,969			Total Expense	\$900,000
393.10 - Revenue from Debt Issuance	\$775,000				
Total Income	\$858,069				