

2010 Lower Salford Township Budget Statement

The 2010 Budget for Lower Salford Township emphasizes the continuation of quality day-to-day operations and services for its residents. This goal has been achieved with a modest .2 mill increase in the General Fund and holding the line in all other fund categories. The General Fund increase would mean a \$39.09 increase in real estate taxes for a property owner having the average residential assessment of \$195,444 for their property. The new total levy of 2.324 mills for all funds represents only 7.7% of a property owner's yearly real estate tax obligation, with 9% of such taxes paid to Montgomery County and 83.3% paid to the Souderton Area School District.

Revenue streams for the Township have been generally good with the exception of dramatically lower revenues from real estate transfer taxes and in the building permit, inspection areas. Material costs including fuels, paving materials, snow and ice control salt and calcium have continued to increase, forcing the Township to make some difficult decisions on the expenditure side of the budget. All capital expense items in the administrative, public works and police departments have been eliminated in 2010. Non-uniformed employee wages have been frozen at current levels, an administrative position has been reclassified from full-time to part-time and health insurance savings have been realized with the implementation of a new plan. While a five-percent (5%) increase included in the final year of a five-year plan collective bargaining agreement must be honored, the Police Department did agree to a reopening of health insurance coverage to become participants with other non-uniformed employees in the coverage afforded by the Delaware Valley Health Insurance Trust. Out of town conferences for employees have been eliminated with only training required by law funded. The Township has initiated a debt restructuring program for the Lederach Golf Course that will couple an annual General Fund allocation along with some debt service principal payment relief over the next four years to

enable the course to generate not only an operating profit, but to fully fund its debt service obligation as well.

The tax level for the Park Fund will not be increased. The high maintenance standards for the Township's many parks will be continued. Large capital projects have been de-emphasized, and the trail link between the Salford Meadows and Belle Terre developments is being accommodated in 2009 rather than the initial 2009-2010 period. Also, through grant funding and in association with conservancy groups, riparian buffer efforts will continue.

Significant funding for library, fire and ambulance services will be continued without a tax increase. Continuation of the library tax will send approximately \$163,000 to the Indian Valley Public Library. The Harleysville Fire Company will receive nearly \$178,000 from the dedicated fire tax plus an additional allocation of \$50,000 from the Township General Fund. The dedicated funding for the Harleysville Area Emergency Medical Service will be continued in 2010. This funding, supplemented by a modest allocation from the Township General Fund, will realize \$61,000 for that organization.

The liquid fuels (gas tax) allocation from the Commonwealth of Pennsylvania will decline 4% in 2010. The allocation will still allow the funding of road salt and calcium needs along with an oil and chip and paving program. Streetlight and fire hydrant (public water access) assessments remain unchanged in 2010 and there continues to be no per capita tax assessed by Lower Salford Township.

For some time, Lower Salford Township has imposed traffic impact fees, with a complete review and upgrade of such fees completed through required studies in 2007. Unfortunately, the downturn in residential and commercial construction has flattened receipts for this fund through fees assessed for new development. In addition, there are significant restrictions on the use of such funds. Funding for the conversion of the flasher signal at the intersection of Sumneytown

Pike and Ruth Road to a full red/green signalization, when warranted by increased traffic volumes, is provided. Likewise engineering design for the widening of Sumneytown Pike between Route 113 and the entrance drive to the Wal-Mart Shopping Center and right-of-way engineering/acquisition for the property at the intersection of the proposed Oak Drive Extension and Sumneytown Pike will be funded. This will create some “shovel ready” projects for any County, State or Federal grant opportunities in the future.

The economic outlook for the community is brightened by two industrial projects under construction. Colorcon has completed an administrative headquarters and technology center at Ruth and Clemens Roads bringing approximately 90 senior management and technology jobs to this location. ALMAC, an Ireland based pharmaceutical company, is building its United States headquarters and manufacturing facility at Wambold and Fretz Roads. Occupancy for the projected 900 employees on site will begin in late summer. Bringing these projects to fruition, and other efforts to diversify the tax base, are good omens for sustained revenue growth and economic vitality in our Township.

Detailed revenue and expenditure information is provided for the nine Township funds detailed on the budget index sheet. The proposed budget is available for public inspection at the Municipal Building during normal weekday business hours. The Board of Supervisors will consider the budget for adoption at its Regular Meeting scheduled for Wednesday, December 2, 2009.

J. Delton Plank, Township Manager
November 4, 2009