

UPPER SAUCON

TOWNSHIP



BUDGET MESSAGE

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2007 UPPER SAUCON TOWNSHIP BUDGET MESSAGE

In accordance with the requirements of the Second Class Township Code and on behalf of the Board of Supervisors, I am pleased to present the 2007 Annual Operating Budget for the year beginning January 1, 2007 and ending December 31, 2007. The Upper Saucon Township Budget provides an overview of the fiscal and operational status of the Township and a spending plan that includes adequate funding to maintain the Township's high level of service while allocating funds to reflect the Board's priorities and community needs.

The Budget is comprised of a series of 16 different funds used to account for revenues and expenditures of the Township. The Budget for year 2007 represents a comprehensive spending plan for all funds totaling \$16,978,321; a 4% decrease from the year 2006 Budget of \$17,619,250. This decrease is primarily due to the budgeted transfer of \$640,000 made to the Land Acquisition Fund in the 2006 budget year.

The Budget reflects a year round process by the Board of Supervisors and Staff in managing all aspect of the Township government. The 2007 Budget includes funding for the following noteworthy initiatives:

1. Implement an aggressive program to preserve open space and acquire additional recreation lands;
2. Update and revise the Township's land use ordinances;
3. Hire an additional full-time police officer;
4. Hire additional personnel for the Community Development Department and the Wastewater Treatment Plant;
5. Develop an employee handbook, job descriptions and an employee performance evaluation system;
6. Continued support of the Southern Lehigh Public Library with debt service contributions, operation expense contributions and in-kind services;
7. Continue to fund the Fire Department's equipment replacement program;
8. Continue the planned replacement of Township mobile equipment, including police cars and public works maintenance equipment;
9. Continue the funding of road maintenance items including micro surfacing, seal coating, and resurfacing projects;
10. Fund water system projects to improve all aspects of the water system;
11. Fund sewer collection projects to reduce infiltration and inflow into the sanitary sewer system; and
12. Fund projects to upgrade equipment and improve operations at the Wastewater Treatment Plant.

The projects noted above will be accomplished as budgeted throughout the various Funds of the Township. A more detailed description of each Fund and a summary of each Fund are included as follows:

2007 BUDGET SUMMARY – ALL FUNDS

Funds	Beginning Balance	Revenues	Available Funds	Expenditures	Year End Balance
GENERAL	\$ 1,163,312	\$ 8,433,350	\$ 9,596,662	\$ 8,598,121	\$ 998,541
STREET LIGHTING	\$ (1,095)	\$ 15,900	\$ 14,805	\$ 14,000	\$ 805
FIRE HYDRANT	\$ 47,014	\$ 100,800	\$ 147,814	\$ 90,000	\$ 57,814
WATER	\$ 262,247	\$ 990,800	\$ 1,253,047	\$ 1,032,600	\$ 220,447
SEWER	\$ 612,673	\$ 1,976,500	\$ 2,589,173	\$ 2,048,100	\$ 541,073
MAINTENANCE TRUST	\$ 836,228	\$ 38,000	\$ 874,228	\$ 24,000	\$ 850,228
RECREATION	\$ 698,554	\$ 241,000	\$ 939,554	\$ 107,000	\$ 832,554
TRANSPORTATION	\$ 916,680	\$ 138,000	\$ 1,054,680	\$ 12,000	\$ 1,042,680
WATER CAPITAL RESERVE	\$ 1,415,040	\$ 834,000	\$ 2,249,040	\$ 945,000	\$ 1,304,040
SEW. TREAT. CAP. RESERVE	\$ 3,623,229	\$ 430,000	\$ 4,053,229	\$ 2,816,500	\$ 1,236,729
CAPITAL RESERVE	\$ 1,069,187	\$ 60,000	\$ 1,129,187	\$ 263,000	\$ 866,187
RD. CONSTRUCTION CAP. RES.	\$ 857,099	\$ 40,000	\$ 897,099	\$ 300,000	\$ 597,099
LAND ACQUISITION FUND	\$ 646,000	\$ 5,036,000	\$ 5,682,000	\$ 00	\$ 5,682,000
HIGHWAY AID	\$ 207,951	\$ 297,600	\$ 505,551	\$ 495,000	\$ 10,551
LOSAP PAYMENTS	\$ 107,601	\$ 57,600	\$ 165,201	\$ 38,000	\$ 127,201
POLICE PENSION	\$ 2,476,111	\$ 166,400	\$ 2,642,511	\$ 195,000	\$ 2,447,511
Total All Funds					
	\$14,937,831	\$18,855,950	\$33,793,781	\$16,978,321	\$16,815,460

GENERAL FUND (01)

The General Fund supports the core services of the Township, ranging from planning and zoning, police, administration, public works, recreation, community services, and debt service. The General Fund is primarily supported by a real estate tax levy of 4.2 mills (which has not increased since 1989), an earned income tax of .5% and a real estate transfer tax of .5%.

The 2006 year ending projected fund balance is \$1,163,312. The 2007 Budget was balanced by appropriating \$164,771 of this available fund balance towards 2007 projects and expenditures. With this appropriation, together with the 2007 budgeted revenues of \$8,433,350 and 2007 budgeted expenditures of \$8,598,121, the Township's fund balance for the General Fund as of December 31, 2007 is projected to be \$998,541.

General Fund Revenues

As in most years, General Fund accumulated surplus and revenues for the year 2007 are projected at levels sufficient to fund the operating budget without dipping into capital reserve funds. Using the projected 2006 fund balance of \$1,163,312 and the 2007 budgeted revenues of \$8,433,350, the available funds towards 2007 projects and expenditures is \$9,596,662.

Balancing the budget without using reserves and keeping a sufficient fund balance was again challenging for the year 2007. Fortunately, a strong, diverse, and growing revenue base combined with more efficient operations, additional revenue enhancements which began in 2006 and a healthy accumulated fund balance allowed the Township to respond to these challenges with no budgeted reductions in service levels. Some noteworthy factors affecting the 2007 revenues include:

- Real Estate Transfer Tax revenues which have increased by 60% since 2003;
- Growth in the commercial tax base due to new development at the Stabler Corporate Center; and
- Earned Income Tax revenues which continue to increase at a rate of approximately 6% per year; and
- Increased revenues from the Emergency and Municipal Services Tax, which was adopted in 2006.

General Fund Expenses

The budgeted General Fund expenses for year 2007 total \$8,598,121. Noteworthy expenditures are as follows:

Administration – The budgeted items for 2007 include developing an employee handbook, job descriptions and an employee performance evaluation system (\$20,000).

General Obligations – The 2007 Budget includes an additional debt service payment of \$300,000 to pay the principal and interest on a 5 million dollar recreation and open space borrowing. The funds from this borrowing will be used to acquire recreation lands and preserve open space.

Buildings – Upgrades to the municipal building's heating and air conditioning units (\$8,000) and installation of a video projection system in the public meeting room (\$25,000) are included in the 2007 Budget.

Police Protection – The Budget includes hiring a new police officer in 2007. \$52,000.00 has been budgeted for the purchase of two new vehicles, \$3,600 for new rifles, \$5,500 for new speed timing devices (VASCAR) and \$6,000 for the purchase of a wireless surveillance camera system.

Fire and Ambulance - \$150,000 has been budgeted to fund an equipment replacement program for the Upper Saucon Township Volunteer Fire Department. The Budget also includes \$6,000 for annual fire hose testing and a \$2,000 contribution to the Coopersburg Fire Company.

Planning & Zoning – Under Contracted Services, an additional \$25,000 has been budgeted to administer the open space conservation easement program. \$115,000 has been budgeted to update and revise the Township's land use ordinances. \$20,000 has been budgeted for a study to identify solutions to various drainage problems in the Township and \$40,000 for a special study to identify ways to improve traffic flow along the Route 309 corridor.

Highways – \$101,000 has been budgeted for engineering costs associated with designing the Lanark Road and Camp Meeting Road intersection improvements and the Lanark Road and Route 309 intersection improvements. Construction of these improvements is expected to take place in 2008. A fax machine and fax line have also been budgeted for the Highway Department office.

Expenditures on roadwork will be coordinated through the General Fund, Road Construction Capital Reserve Fund and the Liquid Fuels Fund. Road projects budgeted in 2007 include:

Glen Road Drainage Improvements	\$	15,000.00
Chestnut Hill Rd. Drainage Improvements (between Vera Cruz Rd. & Hill Ct)	\$	15,000.00
Oakhurst Storm Sewer system / Construction and Engineering	\$	50,000.00
Crack Sealing Forest Dr., Carlton Rd., Walnut Ln., Skyview Ln., Meadow Ln., Homestead Dr., Price Ave., Fernwood Dr. and Preston Ln.	\$	21,000.00
Bituminous Seal Coat Bel Air Dr., Blue Grass Trail and Woodchuck Ln.	\$	21,795.20
Micro Surfacing with Crack Sealing Flint Forrest Dr., Lincoln Dr., Sauconia Dr., Roberts Rd., Remington Dr, Wild Cherry Ln. and Susan Rd.	\$	23,624.55
Chestnut Hill Road Wall Repair	\$	25,000.00
Overlay Hilltop Road	\$	914.00
Overlay Woodchuck Lane	\$	3,199.00
Overlay Black River Road	\$	5,484.00
Overlay Chestnut Hill Road	\$	7,312.00
Overlay Old Bethlehem Pike	\$	8,683.00
Overlay Briar Road	\$	10,667.00
Overlay Bel Air Drive	\$	21,250.50
Overlay Blue Grass Trail	\$	28,334.00

Noteworthy equipment purchases budgeted for the Highway Department include:

Decals and Emblems for vehicles	\$	2,000.00
Tire chains	\$	3,500.00
Wacker Rammer	\$	2,800.00
Road Saw 20"	\$	4,200.00
Speed Limit Signs	\$	2,000.00
Road Work Signs	\$	2,000.00
Street Signs and Hardware	\$	5,000.00

Also, \$15,000 is budgeted for thermal plastic pavement markings, \$25,000 for guide rail improvements and \$15,000 for a school zone flashing warning signal on West Hopewell Road in the vicinity of the Hopewell Elementary School.

STREET LIGHTING FUND (02)

This Fund is used to pay for the costs of operating streetlights in certain areas of the Township. Properties served by the streetlights are assessed a street lighting tax. This tax is based on \$.20 per front foot of improved property and \$.05 per front foot of unimproved property.

FIRE HYDRANT FUND (03)

This Fund is used to pay for the costs of installing, operating and repairing fire hydrants in the Township and to ensure adequate water pressure and flow for their use. Monies in this Fund are derived from a Fire Hydrant Tax of .5 mill, which is assessed on each property that is within 780 feet of a fire hydrant.

WATER FUND (06)

This Fund is used to pay for the costs of operating the Township's water system. The Township's principal water source is from the Colonial Crest water supply well. The Township also purchases water from the City of Bethlehem. In 2007, \$150,000 has been budgeted to purchase water from the City of Bethlehem. Water rates are not projected to increase in 2007.

SANITARY SEWER FUND (08)

This Fund is used to pay for the costs associated with operating the sewer collection system and Wastewater Treatment Plant. An increase in the sewer rate for 2007 is not projected. The budgeted expenses for the Sewer Fund include hiring a new employee for the Wastewater Treatment Plant. In 2007, the Township will begin a Grease Control Program to eliminate grease in the sewer collection system and educate residents as to the proper way to dispose of kitchen grease. This program, which will cost \$4,000, will alleviate the growing grease problems at the Wastewater Treatment Plant. Additional items budgeted for the Wastewater Treatment Plant include \$25,000 for lab testing, \$9,000 for pump repairs and \$15,000 for upgrades to the electrical system. Additional items budgeted for the sewer collection system includes slip lining, manhole repairs and a new oxygen meter.

MAINTENANCE TRUST FUND (11)

This Fund receives the fees paid by developers for the on-going maintenance of detention ponds and other storm water facilities. The Township expends funds from this account to maintain detention ponds and other storm water facilities turned over to the Township by developers.

RECREATION FUND (12)

Monies in this Fund are generated by recreation fees paid by developers and by transfers from the General Fund. In 2007 funds have been budgeted for the following items:

- New fencing at various locations in the Park
- New Trash cans at the Park
- Special study to plan future recreation facilities
- Additional tot lot on south side of Park

TRANSPORTATION FUND (13)

Monies in this Fund are derived from the Transportation Impact Fees paid by developers. These funds may only be used for projects identified in the Township's Transportation Capital Improvements Plan. For 2007, \$12,000 has been budgeted for engineering costs associated with designing the Lanark Road and Route 309 intersection improvements.

WATER CAPITAL RESERVE FUND (18)

Revenues in this Fund are derived from fees charged for connection to the Township's water system. Some of the capital projects budgeted this year include the following:

- 1) Update Tapping Fee Calculations
- 2) Construction of Pole Building (½ of total cost)
- 3) Completion of the Water Storage Tank project
- 4) Colonial Crest well modifications

SEWER TREATMENT CAPITAL RESERVE FUND (19)

Revenues in this Fund are derived from fees charged for connection to the sanitary sewer system. Some of the capital projects budgeted this year include the following:

- 1) Update Tapping Fee Calculation
- 2) Purchase of Portable Sewage Flow Meters
- 3) Repair Mill Creek Sewer Stream Crossing
- 4) St. Joseph Road Collector Sewer System (eng. & legal)
- 5) Purchase TV Inspection equipment / Camera Unit
- 6) Construction of Pole Building (½ of total cost)
- 7) Oakhurst Gravity Sewers
- 8) Green Lane Collection System
- 9) Hill Court Sewer Extension (Phase 1 of Vera Cruz Rd. Area Sewer Project)
- 10) Spring Valley Pump Station
- 11) Country Club Pumping Station
- 12) North Branch Interceptor Extension (eng. & legal)
- 13) South Branch Interceptor Relocation
- 14) Slip Lining - Various Locations
- 15) Manhole Lining - Various Locations
- 16) Retrofit Influent Pumping Station Control (eng only)
- 17) Upgrade Electrical System at Wastewater Treatment Plant
- 18) Construct Sludge Holding Tank at Wastewater Treatment Plant
- 19) Paint Aeration Tanks at Wastewater Treatment Plant
- 20) Replace Emergency Power Generator at Wastewater Treatment Plant
- 21) Secondary Clarifier Modifications at Wastewater Treatment Plant
- 22) Upgrade walkways at Wastewater Treatment Plant

CAPITAL RESERVE FUND (30)

This Fund is used to replace Township equipment, including vehicles, along with improvements to Township facilities. The monies in this Fund are derived from transfers from the General Fund and interest earnings.

Municipal Building - \$5,000 has been budgeted to purchase new computer equipment.

Police - \$48,000 has been budgeted for the replacement of four lap top computers and other computer equipment associated with the ongoing regional mobile information sharing project.

Fire Protection - \$30,000 has been budgeted for equipment at the Fire Department.

Highways General Services - \$180,000 has been budgeted for the purchase of a small dump truck, a pickup truck, 2 mowers and a wood chipper.

ROAD CONSTRUCTION CAPITAL RESERVE FUND (31)

This Fund is used to pay for capital road improvements that are not covered by the usual allocation of monies in the General Fund or Liquid Fuels Fund.

For 2007, \$300,000 has been budgeted towards the Taylor Drive Reconstruction Project.

LAND ACQUISITION FUND (33)

The monies in this Fund are derived from transfers from the General Fund and interest earnings. Future expenditures from this Fund could include the acquisition of active and passive recreation lands and the preservation of open space. Specific expenditures from this Fund were not available when the budget was being prepared.

LIQUID FUELS FUND (35)

This Fund is to be used to cover the costs of roadway maintenance and construction. Monies in this Fund are received from the State based on a formula using the Township's population and number of roadway miles. Use of the monies received in this Fund is strictly monitored by the State and can only be used for specified purposes related to highways.

For 2007, \$400,000 has been budgeted towards the Taylor Drive Reconstruction Project.

POLICE PENSION FUND (60)

This Fund is exactly as the name implies, a fund to provide pensions to the Township's retired police officers. Monies in this Fund can be derived from contributions from the police officers, the Township and the State. Contributions from these sources are based on a formula provided by the State under Act 205.

In conclusion, the 2007 Budget reflects the Township's commitment to provide the residents of our community with high quality services in a cost-effective manner. If you have any questions or comments about our Budget, please contact me.

Respectfully Submitted,

Thomas F Beil, Township Manager

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