



HAMILTONBAN TOWNSHIP BOARD OF SUPERVISORS

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2016 BUDGET MESSAGE

Since 2007, the Hamiltonban Township Board of Supervisors (Board) has issued a budget message to our residents to go along with the annual budget. This Budget Message is being issued with the 2016 Budget. We hope that through this annual budget message, and our Newsletters, you will be able to judge our success(es) in efficiently managing Township operations. We work very hard to responsibly plan how your tax dollars are spent by controlling costs. It should be noted here that Grant Funding is utilized to “ADD” needed services for our residents. Those funds are not reflected in this spending plan since grant funds are required to remain in a separate account until expended or they serve as a reimbursement to actual costs. We continually seek out any grant funds that become available. We hope that you will agree that the Board has successfully managed your tax dollars wisely over the past year. This budget remains with a 1.2359 millage rate and a .25 mill Fire Tax dedicated solely to support our four area volunteer fire departments.

The Board has not increased Township taxes since the year 2006. Each year we have made adjustments to our spending plan and used several cost cutting strategies to give you as many improvements and services as we are able without increasing taxes. As a result, tough decisions have been made that were necessary to secure a solid fiscal foundation. It has been ten (10) years since there has been a tax increase in the Township. Each year the budget gets tighter and a tax increase could be on the horizon due to the ever increasing costs of salt needed to clear the roads of snow, road oils for seal coating, and paving compounds. Over three-fourths of revenue comes from tax levies with the real estate tax being the largest revenue and primary source of funding. Did you know that more than 65% of our annual budget is consumed by road improvements and road related expenditures? Road improvements remains our priority. The remaining 35% of the budget covers costs for consultants (engineers, solicitors), office administration, utilities and building insurances and maintenance of our properties.

Detailed Review of the Budget:

Each year three Budgets are adopted: The General Fund Budget, Sewer Fund Budget and State Liquid Fuels Fund Budget. The Board also reviews their Capital Improvements Plan. This document shows what building and vehicle improvements are planned for in the future, by year.

General Fund:

This fund covers normal Township operations. The projected 2016 General Fund revenue which equals expenses is \$604,216 includes a one-time increase in normal income and expense of \$25,000. This is a transfer from the Capital Reserve (savings) account to pay for the Hickory Bridge Road bridge rehabilitation project. This bridge was inspected in 2013 and found to be in need of repair. The repair of this bridge will be a joint venture with Franklin Township since the bridge connects the two Townships. Again, it is important to note that the costs to repair these bridges have substantially diminished our savings. These types of costs outside the normal general operating budget are significant. Our Capital Reserve Fund (savings) has been “dipped”

into for much needed Bridge projects that were both scheduled and unforeseen. In order not to deplete that savings, in case of an emergency, the Board has borrowed a low interest loan of \$200,000 from the Pennsylvania Infrastructure Bank to handle the reconstruction of Reed's Bridge on Mount Hope Road.

Sewer Fund:

The Sewer Fund is strictly used for the Orrtanna Treatment Plant. On November 3, 2014, the Orrtanna Treatment Plant was sold to the Pennsylvania American Water Company (PAWC). The Road Crew continues to maintain the spray field until a new pumping station is completed by PAWC and connected to the Franklin Township sewer system. This project is expected to be completed by the fall of 2016. At the completion of PAWC's project, the Township will begin demolition and disposal of the spray field. The 2016 total projected revenue which equals expenses is \$20,500. This amount consists of funds transferred from the Sewer Capital Reserve fund and funds collected from delinquent sewer accounts to sustain our operational commitments in 2016.

State Liquid Fuels Fund:

State Liquid Fuels funds are derived State taxes paid on gasoline and on a State allocation that is calculated on the number of miles of paved road owned by a municipality. State Liquid Fuels funds are only available for certain PennDOT approved items which includes: road surface improvements, culvert and storm drainage improvements, and highway base work and rebuild. The projected revenue for 2016 which equals expenses is \$139,718. In addition to the Hickory Bridge Road bridge project, the repayment of loan proceeds for reconstruction of Reeds Bridge on Mount Hope Road is also scheduled from this fund over a period of five (5) years. Road projects for 2016 have been suggested by Roadmaster Harbaugh and will be reviewed and prioritized by the Board as funding permits. Seal coating and re-establishing shoulders on Baker, Bullfrog and sections of Cold Springs Roads. Rye and Lightning Trails, Hickory Bridge, and Bullfrog Roads are to be rebuilt using a CP-2 road surface, as well as re-establishing shoulders on those roads. We hope to apply for and receive a 2016 Dirt and Gravel Road Grant to assist with the cost of the work to be done on Hickory Bridge Road. These projects are subject to change.

Capital Improvements Plan:

The Capital Improvements Plan (Plan) is a long-range plan, which identifies future capital projects and equipment purchases. In 2007, the Board created and approved the Plan. The Plan is reviewed each year and amended for future planning. Our trucks, plows and other equipment have all shown low maintenance costs because of our choices to upgrade this equipment on a regular rotating basis to give us dependable, reliable vehicles. We believe that good service comes from having good equipment. Scheduled purchases of equipment from our Capital Improvements Plan will not begin until 2017. The only Capital expenditure scheduled for 2016 will be the replacement of the roof at the Township office.

Should you have any questions regarding this Budget Message, please contact the office at 642-8509 or you may address your Board of Supervisors at a Board of Supervisors meeting, held the first Tuesday of the month at 7:00 PM at the Township Office. You may obtain a copy of the entire 2016 Budget at www.hamiltonban.com or at the Township Office.

The Board of Supervisors respectfully submits this 2016 Budget Message in conjunction with the 2016 Budget to the residents of Hamiltonban Township.