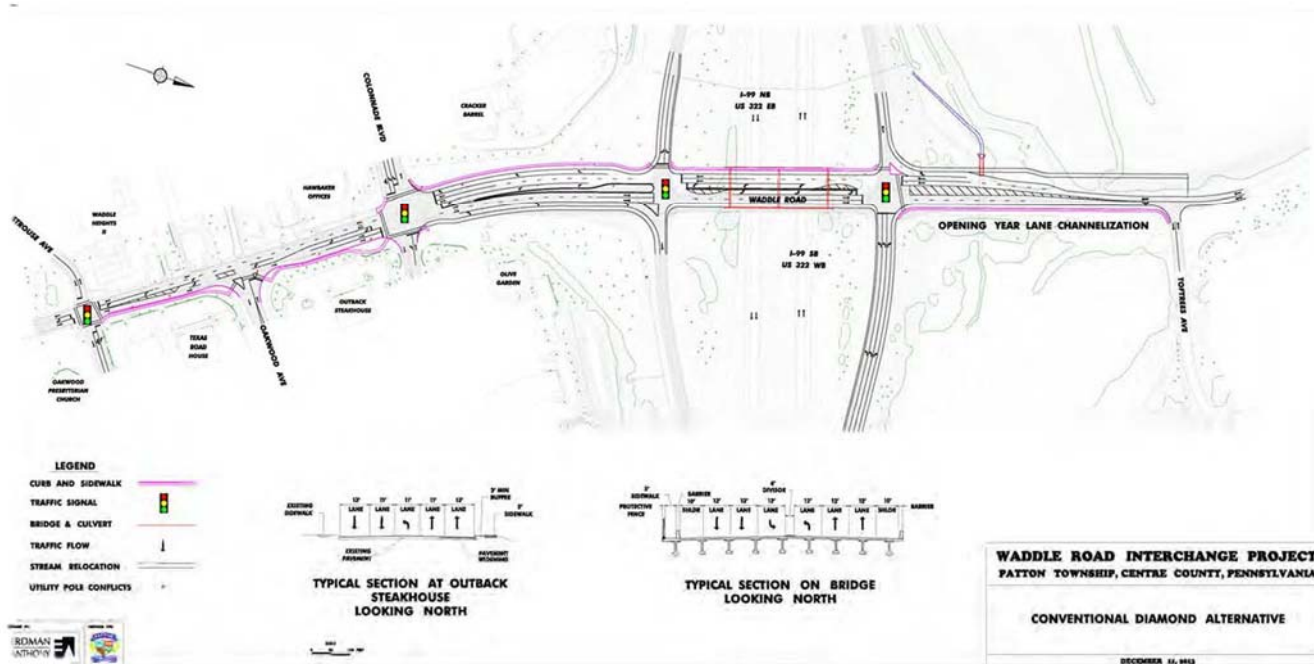


WADDLE ROAD INTERCHANGE PROJECT



2016 PATTON TOWNSHIP BUDGET

**PATTON TOWNSHIP 2016 BUDGET
LINE ITEM DETAIL
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INTRODUCTION

The proposed 2016 Patton Township budget is presented in two-parts. The Township Budget presents each major revenue and expenditure category in a two-page section, highlights changes from year to year, and summarizes actual, projected, and proposed appropriations for a three-year period. To help anticipate and plan for future service needs, a 2017 Forecast is provided as a short term “look ahead”. For longer range planning, staff completed the Capital Improvement Plan for 2016-2020. This document has been incorporated into the annual operating budget where appropriate.

This companion document, the Line Item Detail, shows the detail of revenue and expenditures and has a description of each proposed line item. The Line Item Detail is organized to follow the same outline as the Township Budget.

The Line Item Detail summary includes a brief review of expenditures by major source and expenditures by major category (page S2) and a listing of employee salaries (page S3).

The final section of the Line Item Detail contains the information on each of the Township’s restricted and/or designated reserve funds. These funds have been separated into capital funds and operating funds. The capital funds have a longer term presentation with forecasts of revenue and expenditures to 2020. The operating funds forecast revenues and expenditures to 2017.

**PATTON TOWNSHIP
2016 Budget Summary**

	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
PROPOSED 2016 PATTON TOWNSHIP BUDGET: REVENUES			
REAL ESTATE TAX	\$4,026,267	\$4,429,163	\$4,656,045
EARNED INCOME TAX	1,913,473	1,961,310	2,010,343
OTHER TAXES	608,121	604,672	615,481
INTERGOVERNMENTAL PAYMENTS	1,317,703	890,091	1,963,817
OTHER NON-TAX SOURCES	1,607,800	5,240,244	1,899,155
TOTAL	\$9,473,364	\$13,125,480	\$11,144,840
PROPOSED 2016 PATTON TOWNSHIP BUDGET: EXPENDITURES			
GENERAL GOVERNMENT SERVICES	\$1,246,705	\$1,246,129	\$1,243,444
POLICE	2,631,481	2,799,541	2,750,448
PUBLIC WORKS	3,264,380	3,486,668	4,417,977
COMMUNITY SERVICES - PLANNING, PARKS	1,265,760	1,231,534	1,270,766
COMMUNITY SERVICES - OTHER	892,736	4,415,394	944,549
DEBT SERVICE/CAPITAL PROJECTS	528,020	851,035	861,095
TOTAL	\$9,829,081	\$14,030,300	\$11,488,279
REVENUES LESS EXPENSES	(\$355,717)	(\$904,820)	(\$343,439)
CARRY FORWARD FROM PRIOR YEAR	2,445,489	2,089,772	1,184,952
CASH TO START THE NEXT YEAR	\$2,089,772	\$1,184,952	\$841,513

<u>PERSONNEL</u>		<u>Y/E</u> <u>GRADE</u>	<u>BLENDED</u> <u>ANNUAL</u> <u>PAY</u>
Erickson	Manager		\$ 108,701
Leonori	Accounts Payable	Contract	\$ 18,546
Washburn	Receptionist	B-12	\$ 32,490
Urbanic	Accountant	G-22	\$ 41,159
Pegher	Director of Finance and Admin	W-13	\$ 91,897
Albright	Records Clerk	B-25	\$ 38,415
Long	Police Secretary	E-27	\$ 45,969
Bailey	Road Crew Leader	F-23	\$ 44,598
Barnes	Road Crew	D-25	\$ 42,194
New PW Dir.	PW Directory/Engineer	U-12	\$ 93,935
Bunnell	Road Crew	D-12	\$ 35,923
Confer, E	Road Crew	D-3	\$ 32,309
Coakley	Road Superintendent	P-17	\$ 68,699
Confer, R	Eng. Tech	H-15	\$ 45,258
Daughenbaugh	Road Crew Leader	F-27	\$ 47,338
Grimm	Building Maintenance	D-18	\$ 38,759
Harpster	Road Crew Leader	F-17	\$ 41,392
Harter	PW Secretary	E-19	\$ 43,220
Houtz	Assistant Road Superintendent	M-12	\$ 56,107
Mehalick	Road Crew	D-14	\$ 36,762
Miller	Mechanic	J-19	\$ 52,572
Shadle	Road Crew	D-15	\$ 37,393
Shore	Road Crew	D-6	\$ 32,685
Spayd	Road Crew	D-4	\$ 32,555
Soder	Zoning Officer/OS ppty Mgr	N-19	\$ 63,670
Wheeler	Public Works Project Manager	R-14	\$ 53,639
Benshoof	Lead Tax Specialist	I-23	\$ 52,411
Moore	Asst. Township Secretary	E-16	\$ 40,785
			<u>\$ 1,369,381</u>
Petrick	Police Chief	09/16/94	\$ 101,017
Albright	Sergeant	10/18/99	\$ 81,641
Basalla	Police Officer 1	05/29/15	\$ 57,297
Carter	Police Officer 5	06/29/09	\$ 75,593
Federinko	Detective	08/01/94	\$ 77,483
Haas	Detective	09/13/90	\$ 77,483
Jolley	Sergeant	02/15/02	\$ 81,641
McElrath	Police Officer 5	07/29/96	\$ 75,593
Saupp	Detective	08/18/82	\$ 77,483
Shaffer	Police Officer 5	06/26/09	\$ 75,593
Shoemaker	Police Officer 5	04/06/89	\$ 75,593
Shupenko	Sergeant	07/06/06	\$ 81,641
Snyder	Police Officer 5	09/06/02	\$ 75,593
Sooahoo	Police Officer 5	08/09/04	\$ 75,593
Stroud	Police Officer 5	07/07/06	\$ 75,593
Sunderland	Police Officer 5	01/10/00	\$ 75,593
Swindell	Police Officer 5	07/16/90	\$ 75,593
Tuskovich	Police Officer 3	07/24/12	\$ 74,876
			<u>\$1,390,900</u>
Total Salary and Wages			<u><u>\$ 2,760,280</u></u>

REVENUE: REAL ESTATE TAXES

In 2016, real estate taxes will account for approximately 51.6% (46.7% in 2015) of all revenues raised by the Township, excluding loan proceeds. This has become the norm as the need for increased revenues translates into an increased burden on property owners. The real estate tax for each property in the Township is determined by applying the Township's tax rate to the assessed value of the property as established by the Centre County Board of Assessment. The most recent reassessment took place in 1994. At that time the assessed value was established to be 50 percent of that year's market value. The most recently completed computation of ratios of assessed value to current market value, as determined by the Pennsylvania Department of Revenue, is 28.9 percent (up from 28.8 percent in 2014 and 28.9 percent in 2015). The depressed factor is likely to continue until a reassessment is completed. No reassessment is planned by the County. Municipalities are suffering repercussions from assessment appeals which result in less revenue because the market value of a property is lowered to the new lower common level ratio.

The cost of a mill of tax to the taxpayer is determined by multiplying .001 times the assessed value of the property or, it can be determined by the rate of \$1.00 of tax for each \$1,000 of assessed valuation. The following table shows the cost of 1 mill of property tax for several typical examples of properties in Patton Township:

<u>EXAMPLE OF PROPERTY</u> (1)	<u>FORMULA</u> (2)	<u>CURRENT YEAR 2015 COST OF 1 MILL (0.289)</u>	<u>PROPOSED YEAR 2016 COST OF 1 MILL (0.289)</u>
Town Home (\$140,000 Market Value)	$\$140,000 \times .289 \times .001$	\$40.46	\$40.46
Single Family Home (\$280,000)	$\$280,000 \times .289 \times .001$	\$80.92	\$80.92
Large Single Family Home (\$475,000)	$\$475,000 \times .289 \times .001$	\$137.28	\$137.28
Commercial Property (\$2,000,000)	$\$2,000,000 \times .289 \times .001$	\$578.00	\$578.00

(1) Market Value is the current (2016) value of property.

(2) 0.289 is the 2016 factor needed to convert current market value into assessed value as determined by PA Department of Revenue.

REVENUE: REAL ESTATE TAXES (CONT'D)

The estimated assessed value of Patton Township property is \$459,527,975, which is a \$3,348,787 or a 0.73% increase over 2015. Taking into account discounts earned for early payment, exonerations, uncollectible taxes, and properties added between adoption of the budget and publication of the tax duplicate, each mill of tax will bring in approximately \$461,904 in current revenue. Each 1/10 mill will produce \$46,190.

An increase in the real estate tax rate of 6/10ths of a mill or 6.7% is proposed for 2016. On November 4, 2014 the voters approved a referendum authorizing the borrowing of \$3.5 million to acquire and preserve additional open space lands in the Township. To fund this acquisition a borrowing (bond or loan) will be made in 2016. The debt will be paid through a dedicated real estate millage estimated to be 6/10ths of a mill levied in 2016. This millage has been added to the forecast but must be approved in the budget presented in November 2015.

The proposed rate of 9.5 mills for 2016 is allocated as follows:

Tax Purpose	2015 Rate	Proposed 2016 Rate
General	6.2 mills	6.2 mills
Debt	1.2 mills	1.2 mills
Open Space Preservation	0 mill	0.6 mill
Library	0.4 mill	0.4 mill
Parks Capital Improvements	0.7 mill	0.7 mill
Fire	0.4 mill	0.4 mill
TOTAL	8.9 mills	9.5 mills

In addition to the Township tax, Centre County and the State College Area School District tax real estate in Patton Township. The 2015 County tax remained at 7.84 mills; the 2015-2016 School tax is 41.674 mills, which is a 2.1684 mills increase over the previous year. This totals 58.414 mills on property.

Real estate taxes are collected by the elected or appointed tax collector. The incumbent collector has arranged with the Township to collect taxes and therefore, the function is performed by Township staff. The collection of real estate taxes actually takes place in three stages: current, prior, and delinquent.

REVENUE: REAL ESTATE TAXES (CONT'D)

Current: #301.100

Based on the forecasted 2016 assessed values of property in Patton Township and a two-year average collection percentage, revenue for 2016 current year collections is estimated to be \$4,110,951. This growth reflects \$3 million in additions of property to the tax base in Patton Township but no change in the millage before Open Space Preservation.

Open Space Preservation #301.101

For 2015 there is no millage for Open Space. The debt was paid off in 2014. A debt refinancing in the fall of 2010 provided a reduction in the interest rate of the existing debt thereby decreasing overall debt payments. This revenue is transferred to a reserve account (see #472.110) to fund debt service payments on the \$2.5 million, 11 year bond issue completed in the spring of 2003.

On November 4, 2014 the voters approved a referendum authorizing the borrowing of \$3.5 million to acquire and preserve additional open space lands in the Township. To fund this acquisition a borrowing (bond or loan) will be made in 2016. The debt will be paid through a dedicated real estate millage estimated to be 6/10ths of a mill levied in 2016. This millage has been added to the proposal and forecast but must be approved in the budget presented in November 2015. Current year collections for 2016 is estimated to be \$274,452.

Prior Real Estate Tax: #301.200

Each February and July, the County Assessor's Office publishes supplements to the tax rolls for the preceding year. These supplements add homes and buildings completed during the previous year after the tax duplicate was issued in March. The 2016 receipts are for 2015 taxes with consideration given to known large additions.

Prior Open Space Preservation: #301.201

Dedicated "Open Space" preservation taxes collected for 2015 will be reflected in this line item and will be transferred to a reserve fund for debt payments as described in # 301.101.

Delinquent: #301.300

In December, the list of unpaid real estate taxes is turned over to the County for collection. The proposal for 2016 is based on an average of uncollected real estate taxes for the prior three years.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
301	REVENUES: REAL ESTATE TAXES					
	<u>REAL ESTATE TAXES</u>					
.100	Current	3,933,887	4,096,321	3,991,214	4,110,951	4,316,499
.101	Tax for Open Space Preservation	0	0	0	274,452	291,000
.200	Prior - Real Estate Tax	22,920	17,252	1,503	11,028	15,000
.201	Prior - Open Space Preservation	793	0	0	0	0
.300	Delinquent	32,768	35,299	33,550	32,732	33,546
	TOTAL REAL ESTATE TAXES	3,990,368	4,148,872	4,026,267	4,429,163	4,656,045

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUE: EARNED INCOME TAX

In 2016, the Earned Income Tax will produce approximately 23 percent of all revenues raised by the Township excluding loan proceeds. The rate of tax is one-half of one percent of the earned income of each Township resident. The School District also levies this tax at the rate of 0.95 percent. This tax is at the maximum rate permitted by State code for Second Class Townships.

The earned income tax is imposed on wages paid by an employer as well as the profits from self-employment. The tax is levied for residents in the Township. Because it is a flat rate, it applies equally to persons of all income levels. For most residents the tax is withheld by the employer, reported on the federal W-2 form and is submitted directly to the Centre Tax office. The taxpayer files a short form by April 15 of each year with any balance due or to request a refund.

The earned income tax is not assessed on pensions and investment income and certain payroll deductions like benefits paid for by a cafeteria plan; therefore residents with large earnings from investments are not subject to this tax, although they are subject to state and federal income taxes.

In 2008, Act 32 became law that mandated that earned income tax be collected, beginning in 2012, at the county level (but not by the County). A tax collection committee (TCC) composed of an appointed delegate from each taxing jurisdiction in the County oversees the collection of taxes. In 2010, the Centre County Tax Collection Committee voted to appoint the State College Borough to collect earned income taxes for each of the political subdivisions in Centre County which began in January 2012.

The voting rights of each delegate are weighted based on a combination of revenue collected and population for their jurisdiction. Patton Township is a relatively small stakeholder in the overall committee because it is dominated by several school districts, the State College Borough and Ferguson Township but mostly because those jurisdictions have higher earned income tax rates and generate more revenue than the small jurisdictions.

REVENUES: EARNED INCOME TAX (CONT'D)

The Earned Income Tax revenue for 2016 is proposed to be 2.5 percent higher than the 2015 projected revenue. Staff has used a linear regression function to help estimate next year’s number. In estimating the percentage increase in earned income tax the following factors were also considered: demographics of the Township’s growth, the Consumer Price Index for the year ended August 31 of the current year, and judgment about the economic outlook for the community. Growth of actual revenue in the last several years has been somewhat linear. Although population and development in the Township has been on the rise, the linear growth rate of this tax implies a shift away from higher income earners who are retiring but remaining in the municipality to most likely, younger workers who may earn relatively lower wages. We expect this trend to continue over time as “boomers” retire from the workforce in greater and greater numbers. In light of the current economic slowdown, we have been conservative in our estimate of growth. There have been no significant layoffs in town yet, but we will be on the watch for economic indicators showing a potential for less than budgeted revenues. The table below illustrates the growth in earned income tax collections the last fourteen years.

PATTON TOWNSHIP EARNED INCOME TAX REVENUES			
(in thousands)			
	YEAR	REVENUES	INCREASE
ACTUAL	2002	1,140	3.4%
	2003	1,196	4.9%
	2004	1,248	4.2%
	2005	1,317	5.5%
	2006	1,396	6.0%
	2007	1,425	2.1%
	2008	1,571	10.2%
	2009	1,531	<2.5%>
	2010	1,586	3.6%
	2011	1,727	8.9%
	2012	1,786	3.4%
	2013	1,915	3.4%
	2014	1,898	<0.9%>
	Projected	2015	1,913
Proposed	2016	1,961	2.5%
Forecast	2017	2,010	2.5%

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUES: EARNED INCOME TAX (CONT'D)

In late 2011, the Township adopted an ordinance amending its tax collection process as required by Act 32 of 2008. This enables the tax to be collected by a county wide tax collector as appointed by the Centre County Tax Collection Committee. The ordinance maintains the 0.5% earned income tax rate paid by residents of Patton Township which is combined with the State College Area School District rate of 0.95% for a total combined resident rate of 1.45%. The ordinance did change the rate nonresidents paid from 0.5% to 1.0%. Nonresidents do not pay any earned income to the school district.

In 2013, collections were significantly higher than expected. This can be explained by the wrapping up of collections by local municipal collectors. More outstanding claims by taxing jurisdictions were resolved for taxes withheld in one jurisdiction but payable to another. The new regional system makes claims less cumbersome resulting in the appropriate taxing jurisdiction getting its tax revenue faster.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
310 .210	REVENUES: EARNED INCOME TAXES					
	<u>EARNED INCOME TAX</u>	1,897,673	1,920,012	1,913,473	1,961,310	2,010,343
	TOTAL EARNED INCOME TAXES	1,897,673	1,920,012	1,913,473	1,961,310	2,010,343

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUE: OTHER TAXES

The Local Tax Enabling Act (Act 511) of 1965 grants to municipalities the power to levy a broad variety of taxes. Patton Township currently uses two of the taxes authorized by Act 511 in addition to the earned income tax. These taxes, listed below, are enacted by ordinance and continue from year to year unless the ordinance is amended. Act 511 taxes account for approximately seven percent of Township revenues. In late December 2004, the state amended Act 511 to rescind the Occupational Privilege Tax and create a new tax called the Emergency and Municipal Services Tax (EMST). In 2007 Act 7 amended Act 511 to create the Local Services tax, replacing the EMST.

Tax	Patton Township			State College Area School District		
	Year Enacted	2013 Rates	Limit	2012-2013 Rates	Limit	Paid By
Real Estate Transfer	1960	0.5%	0.5%	0.5%	0.5%	Owners of property sold
Local Services Tax (Formerly the Emergency and Municipal Services Tax)	2005 Amended 2007	\$47.00	\$47.00	\$5.00	\$5.00	People employed in the Township- Replaced OPT

Real Estate Transfer: #310.100

The real estate transfer tax is levied by the Township and the School District at the rate of 1/2 of one percent of the value of each real estate transaction that occurs in the Township for a combined rate of one percent which is the maximum allowed. In addition one percent is collected by the State for a total of 2.0% levied on eligible real estate transactions in the Township. This tax is generally split equally between the buyer and the seller.

The revenue from this tax is the most difficult of any of the Township's taxes to predict because the number and value of real estate transactions vary widely. Much analysis goes into estimating this budget number, generally with little success in approximating actual numbers. In the past, staff has tried to be very conservative in predicting this widely variable number (ranging from \$200,000 in 2001 to \$535,000 in 2006) because a significant shortfall in revenues could make cash flow management difficult.

A modest decrease is projected for 2016 and a modest increase is proposed for 2017.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUE: OTHER TAXES (CONT'D)

Local Services Tax (formerly the Emergency and Municipal Services Tax): #310.511

In December 2004, the Pennsylvania legislature passed Act 222 amending Act 511 (Local Tax Enabling Act) to allow for the establishment of a new Emergency and Municipal Services tax (EMST). Within the limitations of the Act, the Township adopted an ordinance on January 3, 2005 to allow for the collection of this tax.

In June 2007 the Governor signed Act 7 which imposed certain conditions on the levying and collection of the Local Services Tax (LST.) This tax is levied on persons employed within the Township and the maximum amount collected from any employee is \$52 regardless of the number of jobs a person has in a year. It will continue to be allocated \$5 to the School District and \$47 to the municipality. The following is a list of major changes:

- Standardizes the low income exemption to a state-wide standard of \$12,000.
- Modifies the collection pattern from a lump sum payment to withholding of no more than \$1 per week.
- Provides for an upfront self-exemption from withholding if a taxpayer reasonably believes that he/she will not earn more than \$12,000 in that year.
- Provides for certain other exemptions for people serving in the military and those with certain disabilities.

The revenue received from this tax will be used to offset emergency services and road maintenance expenditures.

In 2013, the Township was notified by the Collector that a glitch in their software had occurred during a routine update in 2012 that changed the PSD (Political Subdivision Division) code for where one of our biggest employers' taxes were remitted. When the glitch was discovered, the Township had received collections for a work site in Spring Township. These amounts, in excess of \$20,000 net of commission for six quarters, were deducted from Patton Township and remitted to the proper jurisdiction.

Modest increases are projected for 2015 and proposed for 2016.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
310	REVENUES: OTHER TAXES					
	<u>OTHER TAXES</u>					
.100	Real Estate Transfer	346,322	325,000	351,990	340,857	346,390
.511	Local Services Tax	254,344	245,025	256,131	263,815	269,091
	TOTAL OTHER TAXES	600,666	570,025	608,121	604,672	615,481

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUE: INTERGOVERNMENTAL PAYMENTS

Patton Township expects to receive about 10.4 percent of its revenue from intergovernmental payments from the County, State, and Federal governments in 2016. The Township has no regular source of Federal funds. Any Federal funds received are grants for specific purposes funneled through the State or County.

The Annual Payments of intergovernmental revenues received each year come from the State. These funds fall into two categories. Dedicated Use funds must be used only for the purpose provided in the law. The budget must show matching expenditures for these receipts. The General Fund Use intergovernmental revenues are counted as receipts available for any budgeted expenditure.

Grants received by the Township are the result of competitive applications approved by a County, State, or Federal funding body. Grant funds must be used for the specific purpose identified in the grant program.

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: DEDICATED USE

Liquid Fuel Tax: #355.020

The Liquid Fuel Tax (LFT) receipts collected by the state are shared with municipalities based upon population and miles of Township roads. This is a return of some of the tax each purchaser pays when purchasing gasoline. The amount actually received depends upon how much the State collects and how Patton Township compares to other municipalities' miles of roads and population. The 2016 budget estimate is based on the State's October 2015 estimate of \$434,836. These funds are matched to eligible expenditures in the Public Works budget for maintenance and operation of Township roads and streets.

Recycling Grant: #354.031

The Township applied for a 2008 DEP Recycling and Waste Reduction Grant under Act 101 of 1988 in the amount of \$161,380. It was awarded in 2010. The approved grant request covered the cost of a leaf vacuum as well as another one-person leaf loader.

The reimbursement for the leaf vacuum and the leaf loader were received in 2011 in the amount of \$161,050. Also as part of the original grant award, money had been allocated for the development of a grass drop off site at the Hawbaker Recycling Center. This was completed in 2011 and a reimbursement of \$4,748 was received in 2012. A reimbursement agreement has been signed with DEP and funds were received in early 2015 related to the 2013 purchase of a John Deere loader.

DEP Alternate Fuel Grant-CNG Truck Upfit: #354.035

The Township was awarded a grant to pay for one half the cost of a CNG conversion to bi-fuel on a new sign truck purchased in 2014. \$6,113 was received in 2014 towards this cost.

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: DEDICATED USE (CONT'D)

Act 13 Marcellus Impact Fee: #355.100

Act 13 became a law in 2012 and provides for the imposition of an unconventional gas well drilling impact fee by the State. The allocation of these funds will be as follows:

- \$25 million to State agencies to offset the statewide impact of drilling
- 60% of the remaining funds go to Counties and Municipalities (36% allocated to Counties with wells, 37% to municipalities with wells and the remaining 27% to all municipalities based on a municipality's budget).
- 40% for statewide initiatives.

The money must be spent on water, waste water, road improvements, infrastructure, maintenance, social service delivery, emergency preparedness, environmental programs, tax reduction, increased safe/affordable housing, employee training or planning initiatives.

The Township received \$4,714 in 2015 and \$9,651 in 2014. In 2016 and 2017, revenue from the source is estimated to be \$4,700 each year as the amount received has been decreasing each year since inception. These funds have been used to offset the costs of conversion of two vehicles to bi-fuel (gasoline and Compressed Natural Gas) and the installation of a CNG fueling station on premise.

State Pension Aid: #355.120

Each non-Pennsylvania (foreign) insurance company that writes a casualty insurance policy in the Commonwealth pays a tax to the state. Act 205 of 1984, the Public Employee Retirement Act, provides that the eligible municipalities receive their share of the state funds based upon the amount of actual expenditures and/or amounts necessary to maintain actuarially sound funding for the pension plans up to a limit established by the State. The amount received for 2015 is based on the calculation of the Township's minimum municipal obligation (MMO) (completed in the fall of 2014). The funding is based on the lesser of the Township's need and the state-determined unit value of funding multiplied by the number of eligible Township employees. In years when investment returns are good, a municipality may not receive all the funds they would otherwise be entitled to

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: DEDICATED USE (CONT'D)

State Pension Aid: #355.120 CONT'D

based on the unit value calculations because investment gains may reduce the amount that needs to be paid into a plan.

In years with bad investment returns, the total amount the Township is entitled to receive from the State may still not be adequate to fund the pension plans, and therefore, general funds and/or employee contributions will be needed.

The 2016 MMO, calculated using the 2015 actuarial valuations for the total pension expense, is expected to be \$238,170. For 2016, police contributed 5% of their base wages. This amount continues in the 2013-2016 contract.

The revenues received are subject to a "post-audit" to determine whether all funds were actually required for the Township's pension plans. In 2010, the Pennsylvania Public Employees Retirement Commission (PERC) deemed the Patton Township Police Pension Plan to be at a Level 1 distress rating based on the 2009 actuarial pension valuation. Because of heavy investment losses sustained in 2008, the plan had a significant unfunded liability. Act 44 of 2009 allowed this unfunded liability to be funded over time so as not to put too significant of a funding pressure on municipalities. In 2012, PA PERC, determined Patton Township Police Pension was no longer distressed. This increased the 2013 pension budget because it could no longer amortize the unfunded liability over as long a period. In addition, for 2014, based on actuarial recommendations, the valuation used updated mortality tables with longer life spans and thus increased costs.

This revenue is offset against pension expenses in employee benefit line items for each department.

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: GENERAL FUND USE

Act 205 Volunteer Fire Relief Association Aid: #355.130

Each non-Pennsylvania (foreign) insurance company that writes a fire insurance policy in the Commonwealth pays a tax to the State. These funds are distributed based upon the population and the market value of property in the township (weighted equally). These funds must be turned over to the volunteer fire company serving the area, the Alpha Fire Company. The funds must be used by the Fire Company for the health and welfare of the company members; the funds may not be used for operations or capital expenditures. (See expenditure account 411.533 for matching expenditures.) The proposed revenue for 2016 is based on the 2015 actual receipts.

Police Programs Reimbursement Grants #355.200

These revenues represent payments for participation in special task force programs such as the Centre County Drug Task Force (Bureau of Narcotics Investigations), the Centre County Alcohol Task Force and DUI patrols and football game details reimbursed by Penn State University and other reimbursements for police goods and services. The 2016 proposal is based on anticipated duty assignments.

Public Utility Realty Tax: #355.010

Some Public Utilities are exempt from property taxes but pay into a state fund in lieu of property taxes. The 2016 budget is based on the 2015 amount received.

Beverage Licenses: #355.040

The State charges and remits to the Township a permit fee of \$200 per year for each establishment in the Township that serves beer and/or liquor. There are five types of establishments in Patton Township: hotels, such as Toftrees, Carnegie House, and Holiday Inn Express (Outback Steak House); restaurants/bars like the Ale House and Hi-way Pizza; microbreweries like Otto's Brew Pub; Continuing Care Retirement communities like the Village at Penn State and transfers such as the Olive Garden and Applebee's.

Prior to 2001, the state allowed only one licensed establishment for every 3,000 residents. (Hotel/motel and Micro-Brewery licenses are not included in the numerical restriction.) In 2001, in-county license transfers were approved

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: GENERAL FUND USE

Beverage Licenses: #355.040 CONT'D

as a new category for licenses. When approved by the Township and the Liquor Control Board, an establishment may transfer a license from another area of Centre County into the Township. Five such transfers have been brought to Patton Township.

2016 proposed revenue is based on 2015 experience.

Motor Vehicle Code State Distribution: #355.090

These funds are remitted to the Township by the state as the local share of tickets issued by the State Police. The 2016 proposed amount is based on a three year average of receipts and receipts year-to-date.

State Payment in Lieu of Taxes - Game Commission: #356.020

This is a payment by the state for Township services to State Game Lands. There are 975 acres of State Game Lands in Patton Township and the Township is reimbursed \$1.20 per acre. These funds are paid from gambling proceeds earned by the State.

GRANTS

Pennsylvania DOT Community Transportation Alternatives: #357.016

The Township has been awarded funding through PennDot to develop bikeways beginning along Circleville Road. The grant amount is \$351,498. Approximately \$65,000 was budgeted for the land acquisition and design in 2013 and 2014. The project was bid in December 2014 and construction began in the spring of 2015. The grant does not cover design costs and right-of-way acquisitions but will pay for construction costs. See corresponding expenditures in #439.624. The next project is Little Lion Drive to Devonshire projected to begin in 2017.

REVENUE: INTERGOVERNMENTAL PAYMENTS (CONT'D)

ANNUAL PAYMENTS: GENERAL FUND USE

GRANTS CONT'D

PennDot Automated Red Light Enforcement (ARLE): #357.017

The Township applied to PennDot for funding for intersection improvements at North Atherton Place (Walmart) to comply with the Americans with Disabilities Act. The Township was awarded the grant in 2013. The improvements are being delayed until 2015 to coordinate with construction work being completed on North Atherton Street next year. The matching expenditure is detailed in #439.625.

PennDOT Multi-Modal Grant: #357.018

The Township has applied for a grant of \$800,000 to upgrade the Valley Vista corridor with left turn lanes at 4 non-signalized intersections. The Township would be responsible for approximately \$452,000 of estimated design and construction costs over the multiyear project

County Liquid Fuels Tax Awards: #357.030

The Centre County Board of Commissioners receive letters of Application each year for County Aid grants that can be used for street and road improvements. In the past Patton Township has received grant money for portions of Meeks Lane and Upper Julian Pike. In 2013, Patton Township received \$20,000 to aid in its Street Overlay Program. The fund distribution from the County is discretionary based upon the number and nature of the applications received. No funds are anticipated for 2016.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	REVENUES: INTERGOVERNMENTAL PAYMENTS					
	<u>ANNUAL PAYMENTS</u>					
	DEDICATED USE					
355 .020	LIQUID FUEL TAX	347,051	370,021	370,021	434,836	447,881
	OTHER DEDICATED USE					
354 .031	Recycling Grant		47,750	67,834	0	0
354 .035	DEP Alternate Fuel Grant -CNG Upfit	6,113	0		0	0
355 .100	Act 13 Marcellus Impact Fee	9,651	7,500	4,714	4,700	4,700
355 .120	State Pension Aid	232,361	232,361	231,329	238,170	244,124
355 .130	Act 205 Volunteer Fire Relief Association	119,573	119,573	116,232	116,232	119,138
355 .200	Police Programs Reimbursement	69,179	72,747	65,091	64,422	66,231
	SUB-TOTAL	436,876	479,931	485,200	423,524	434,193
	GENERAL FUND USE					
355 .010	Public Utility Realty Tax	7,981	7,981	7,981	7,994	7,994
355 .040	Beverage License	4,800	4,800	4,800	4,800	4,800
355 .090	Motor Vehicle Code State Distribution	8,092	9,533	7,032	7,766	7,778
356 .020	Pay in Lieu of Taxes-Game Commission	1,171	1,171	1,171	1,171	1,171
	SUB-TOTAL	22,043	23,485	20,984	21,731	21,743

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	REVENUES: INTERGOVERNMENTAL PAYMENTS (CONT'D)					
	<u>GRANTS</u>					
357 .016	Pennsylvania Community Transportation Alternatives	0	351,498	391,498	0	250,000
357 .017	PennDot Automated Red Light Enforcement (ARLE)	0	50,000	50,000	0	0
357 .018	PennDot Multi-Modal Grant	0	110,153	0	10,000	790,000
357 .030	County LFT	0	0	0	0	20,000
	SUB-TOTAL	0	511,651	441,498	10,000	1,060,000
	TOTAL INTERGOVERNMENTAL PAYMENTS	805,971	1,385,088	1,317,703	890,091	1,963,817

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

REVENUE: NON-TAX SOURCES

The Township will receive approximately 8.1 percent of the budgeted 2016 revenues from non-tax sources, other than loan proceeds.

As noted in the following sections, some of these funds must be used for specified purposes. The balance is available for general Township expenditures.

ASSESSMENTS #301

Assessments differ from taxes in that they are limited to certain geographic areas of the Township. In particular, for Patton Township, assessments are related to a property owner's proximity to a fire hydrant, and streetlight, and for roads in the Homestead Farms Neighborhood Improvement District. These funds are used to cover the costs for providing those services.

Assessment funds are separately accounted for, and are designed to be self-supporting. If there is a surplus in one of these funds it cannot be transferred to the general fund; it must be held in reserve to cover future rate increases, major repairs or replacements, or to decrease rates. The power to set such assessments is established in the Second Class Township Code. In 2007, the Township hired an engineering technician, one of whose duties was to update all records to ensure completeness of all streetlights and fire hydrants assessments. This has been completed and is reflected in the current assessments.

Streetlight Assessments: #301.930

Each property within 250 feet of a streetlight is assessed 35 cents per front foot. Vacant lots are assessed at 25 percent of the current rate (8.75 cents). This 4:1 ratio is set in the Township Code. All the funds collected from these assessments are deposited in the Streetlights Restricted Reserve Fund for payment of streetlight bills and required repairs (see Line Item 434.361). The current assessment rates should be sufficient to cover additional costs. The Township has entered into a cooperative program to purchase electricity. At this time, no increase in streetlight assessments should be necessary to cover electrical costs.

REVENUE: NON-TAX SOURCES (CONT'D)

ASSESSMENTS #301 (CONT'D)

Fire Hydrant Assessment: #301.940

Each property within 780 feet of a fire hydrant is assessed a charge based on the front footage of the property. The assessment rate is 7.0 cents per front foot. All funds collected from these assessments are transferred to the Fire Hydrant Restricted Reserve Fund (see Line Item 411.363). In addition to the fire hydrants, there is a charge to one homeowners' associations for a dry hydrant in a rural development to ensure sufficient funds for their replacement on a twenty-year cycle

Homestead Farms Neighborhood Improvement District: #301.950

In October 2011, the Township began the process to establish a Neighborhood Improvement District in the Homestead Farms area. At the request of the Homeowners' Association (HOA), the Township took over road maintenance in this area where, until this time, the roads have been privately maintained. Each parcel (43 in Patton Township and 5 in Ferguson Township where another neighborhood improvement district has been formed) will be assessed \$316 annually for the next twelve years to provide for the cost of bringing the roads up to Township Standards. In 2012, the HOA transferred \$45,187 to the Township to begin the improvements. Future assessments will continue at \$14,871 (one property owner paid full assessment in 2014) until 2023. Any amounts greater than this amount represent late payment penalties.

LICENSES AND PERMITS #321

The Township requires a variety of business licenses and permits. In some cases the licenses are issued for a token fee and serve to establish the presence of regulated business activity rather than to generate revenues. In other cases the fees are designed to cover the costs of the activity being permitted or licensed.

Health-Food Establishments Permit: #321.200

Each Patton Township food establishment pays an annual fee of \$120 to \$240, based on type and size of the establishment, to cover the cost of required health inspections. In addition to these permit fees, the fee schedule has been adjusted to include other establishments which would need a permit, such as temporary establishments and farmers markets; and fees for re-inspections and plan reviews.

REVENUE: NON-TAX SOURCES (CONT'D)

LICENSES AND PERMITS #321 (CONT'D)

Zoning Permits: #321.330

Each new construction and alteration/addition to a building in Patton Township requires a zoning permit. In 2012, one new apartment complex was approved which resulted in higher permit revenue than budgeted. 2016 permits are based on anticipated construction known at this time.

Rental Housing Permit Application Fee: #321.334

A \$20.00 fee is required on new or transferred rental housing permit applications. In 2014, the township began sending out notices to property owners whose real estate tax billing address was different from the property address. This is an effort to insure that any properties that are actually rentals are property permitted and inspected to ensure the safety of renters.

Rental Housing Permit Surcharge: #321.335

This fee of \$3 per permit issued helps offset regulatory and enforcement costs directly associated with rental housing in the Township. This fee is charged annually when permits are renewed. Centre Region Code collects this fee for the Township. Currently, there are approximately 3,400 rental units in the Township.

Fee for Issuing Dog Licenses: #321.340

The Township Office is an authorized Centre County dog license issuing location as a service to Township residents. The Township receives a one-dollar commission for each license issued.

Solicitor and Peddler's, Chickens': #321.610

A solicitor or peddler's license costs \$15.00 and chickens' are \$35.00 per issuance. Typically, Patton Township only has a few of these each year.

Sign Permits: #321.900

Fees for sign permits are based on the Township fee schedule. Revenue is expected to remain stable.

REVENUE: NON-TAX SOURCES (CONT'D)

LICENSES AND PERMITS #321 (CONT'D)

Road Occupancy Permit: #322.820

This permit is required for a cut into a Township road or right-of-way. Most of these fees are generated by utility companies (gas, phone and electric) servicing or extending their underground lines. The amount budgeted for 2016 is based on a three year average plus discussions with Columbia Gas on pipe replacement work proposed in the Township.

Cable TV Franchise: #321.800

Comcast acquired Adelphia in 2006. It is still the only cable television company providing service to Patton Township residents. A new cable franchise agreement was negotiated and became effective September 1, 2008. The initial agreement is for ten years with a five year renewal period. Revenue in this line item is dependent on company revenues from Township residents. No significant changes were made to the agreement, although there were small adjustments made to the basis on which fees are calculated. 2016 proposed revenue reflects a slight increase in revenue.

In 2010 Northeastern ITS entered into a ten year agreement with the Township to pay a license fee for laying fiber optic cable in the right of way along Meeks Lane and Circleville Road. The contract is expected to generate \$ 23,167 per year after the initial partial year payment.

Small Cell Antennae Fees: #321.801

In 2014 the Board approved a contract with Crown Castle to install small cell antennae on 8 existing traffic signals in order to improve cell phone reception in the Township. Crown Castle rents their equipment to cell service providers. The contract will provide for an initial fee of \$15,000 plus rental income to the Township of \$750 per antenna per year.

COURT FINES #331

Patton Township receives revenues from three types of fines: violations of the Pennsylvania Motor Vehicle Code, violations of Township ordinances, and violations of Pennsylvania Crimes Code.

Motor Vehicle Code Violations: #331.110

The revenue in this category comes from the citations issued by our Township Police Officers for violations of Pennsylvania's Motor Vehicle Code (speeding, stop sign violations, DUI, etc.). The budget is based on a three-year average.

REVENUE: NON-TAX SOURCES (CONT'D)

Ordinance and Pennsylvania Crimes Code Violations: #331.120

Citations for violations of Township ordinances are issued by the Township Police. These violations include handicap, fire lane and snow parking, weeds, snow on sidewalks, noise, and animal violations. This category also includes citations for violations of the Pennsylvania Crimes Code. The budget is based on the prior years' experience. It is difficult to estimate with any degree of accuracy, the number of citations that will be issued in any period.

INTEREST #341.000

Earnings from investment of Township resources are a function of two factors: interest rates and the amount of cash available for investment. Under normal circumstances, in the early part of the year when real estate tax money starts to flow into the Township, there is usually a substantial amount of cash available for investment. Interest rates are at very low rates resulting in minimal interest revenues. At this time long term investment vehicles like certificates of deposits are not attractive options because of the risk of being locked into low interest investment as market rates rise.

DEPARTMENTAL EARNINGS

Fees and charges are levied for various services performed by the Township. A resolution adjusting fees was most recently adopted in 2015.

Zoning Hearing Board Fees/Rezoning Applications: #361.340

Fees are charged for a zoning/sign variance request, an appeal of the zoning officer's interpretation, or a rezoning request to cover the cost of processing these applications. Fees for single-family homes on non-conforming lots are \$60. Fees for a curative amendment request are a minimum of \$600.00, subject to increase based on actual costs, but are refunded to the applicant if the application is approved.

Plan Review and Inspection Fees: #361.400

The fee for subdivision plan review ranges from \$250.00 for up to 5 lots to \$1,250.00 for 21 or more lots. The plan review fee for new land development of less than 3 acres is \$375.00 with a \$187.50 fee for revision to an approved plan. The time for the Engineer and Zoning Officer to review plans is charged on an actual time basis and is in addition to the basic review fees. The proposed amount is based on a three years' experience.

REVENUE: NON-TAX SOURCES (CONT'D)

DEPARTMENTAL EARNINGS (CONT'D)

Plan Review Handling Fees: #361.410

This fee represents a surcharge from the review of land development plans.

Sale of Miscellaneous Ordinances: #361.520-540

Copies of the Township subdivision ordinances, zoning ordinances and maps are made available to developers and residents. The proposed amount is based on a three-year average. Since these are available digitally, there is not a high demand for paper copies.

Sale of Accident Reports: #362.110

State Law allows the Township to charge up to a \$15.00 fee for copies of accident reports. Patton Township charges \$10.00. Generally, insurance agents who are processing claims request copies of pertinent reports. The proposed amount is based on three years' experience.

Sewage Permits/Soil Log Test: #362.440

The Township charges the cost of obtaining a sewage permit for an on-lot septic system to the developer or property owner. These fees are used to cover the cost of the Township Sewage Enforcement Officer. The actual amount received in this category depends upon the development activity in areas outside the Township's sewer service area. The amount proposed is based on the year-to date and last year's experience.

REVENUE: NON-TAX SOURCES (CONT'D)

TAX COLLECTION FEES #361

Wage Tax Collection Fee/School District: #361.630

Prior to 2012, the Township staff collected earned income tax, by agreement, for the School District and the Township. The School District reimbursed the Township for half its actual costs plus an overhead factor to cover administrative and facility costs.

Because of Act 32 of 2008 and the revamping of the earned income tax collection process, beginning in 2012 this revenue stream will begin to disappear for the Township and will be replaced by a cost, paid by the Township, to have our EIT collected. For 2013 and 2014, outstanding claims were filed with different collectors and delinquent claims were processed. The school district will be invoiced for their share of the costs.

Real Estate Tax Collection Fees: #361.640

Patton Township collects Real Estate Taxes for itself, Centre County, and the State College Area School District. The other entities pay a fee for collection services to the Township based on the number of parcels billed for the County (\$2 per parcel) and the number of parcels collected for the School District at \$3 per parcel.

Charges for Tax Payment Confirmations: #361.650

The Township charges \$15 for each written confirmation of Real Estate tax payments on given property.

PENN STATE IMPACT FEES: #380.410

In November 1992, the settlement of longstanding litigation with Penn State by all Centre Region taxing bodies was announced. This line item shows the anticipated payments in lieu of taxes from the University. The first year of the Penn State Impact Fee agreement provided for a lump sum payment to the school district and a 2.83 percent share for Patton Township from the \$600,000 initial payment. After 1993 the School District received a separate amount based on tax rates and assessed values. The total increases every two years based upon the consumer price index. The fee is expected to remain at less than one percent of the total Township budget. Penn State must give 18 months notice to withdraw from the agreement.

REVENUE: NON-TAX SOURCES (CONT'D)

BUILDING RENT REVENUE: #389.420

In 2002, the Township undertook, as part of its debt financing of that year, to borrow funds for its share of the COG Housing Project. The Township is part owner of the COG building, and as such, gets a share of rent paid by the self-supporting departments of COG. This payment is fixed for 25 years. Also included in this line item is the rent paid by Clearwater Conservancy to use the former municipal building.

MISCELLANEOUS

This revenue category incorporates those general revenues that do not fall into a specific section of the budget.

Miscellaneous Revenue: #380.000

Revenue in this category includes payments for small non-recurring or infrequent items such as copies, towing bills, rebates, etc.

Winter Maintenance Contract – Private Road: #380.300

The Benjamin Court HOA has contracted with the Township since 2011 for winter maintenance services. The Township does this work on a time and material basis because they have been unable to find reliable private contractors for snow removal.

Private Contributions/Bus Subsidy: #387.000

The Colonnade has committed to help pay for bus service to their stores. These payments are based on total square footage leased out in the Colonnade. These contributions help defray the Township's contributions to CATA bus services, see #447.531 and #447.532.

Contract for Resurfacing School Drive: #387.250

In late 2013, the State College School District approached the Township about taking over ownership of School Drive. The Township agreed, with the condition that the roadway be improved to Township standards. The Township solicited bids to overlay the road and the road crew replaced curbing and made drainage improvements. The cost of the project, paid by the School District was \$175,334 which covered the cost of labor, equipment, materials and the overlay contract. Of this amount, \$23,752 will be transferred to road equipment reserve for use of equipment.

REVENUE: NON-TAX SOURCES (CONT'D)

MISCELLANEOUS (CONT'D)

Cash in Lieu of Parkland: #387.070

In 2015, the Board of Supervisors approved a payment from Timberton Estates HOA in lieu of parkland in the amount of \$10,000, to be paid over three years. The 2016 Budget reflects revenue of \$3,333.

Private Contributions/Signal Battery Backup: #387.200

The developer of the Trader Joes Plaza has paid \$100,000 towards installation of battery backup and emergency pre-emption, or other upgrades for signals along the North Atherton corridor as part of their development agreement. Some upgrades have been completed.

Community Gardens Revenue: #387.350

In 2009, Township residents were surveyed via our newsletter regarding their interest in renting community garden plots. Beginning in 2011, a number of plots were made available at the Haugh Family Farm Open Space Preserve for those interested. These fees will offset fencing, water and other costs. This program has been a very successful endeavor with all of the plots rented.

Traffic Mitigation Fees: #387.430

This line-item detail describes funds contributed by developers to help defray the cost of conducting traffic studies and completing traffic projects required because of a new development. Currently the fee is \$300 per residential unit at the Village at Penn State. For other development in the area, the fee have been set with an adjustment for inflation. In 2012, with the approval of the Grove Phase I, on Toftrees Avenue, a significant contribution has been made to the fund. Additional fees are expected in 2016 and 2017 based on planned construction in the area.

The funds flow through the General Fund and are ultimately transferred to a restricted reserve fund (see last section of budget) where they are matched with the Township's share of capital needed to complete the project. Actual expenditures for a project will be shown in the reserve fund.

Insurance Proceeds: #389.100

This line item represents insurance proceeds for stolen or damaged property. The expenditure for replacement equipment and/or repairs can be found in the appropriate departmental expenditure account.

REVENUE: NON-TAX SOURCES (CONT'D)

MISCELLANEOUS (CONT'D)

Sale of Surplus Property: #391.100

This line item represents the proceeds from the sale of surplus property. Currently the Township uses an internet based auction facility for its sales.

Loan Proceeds – Road Projects: #393.121

In October 2011, the Township issued a request for proposals for a \$3 million, 25 year bank loan to pay for the engineering and preconstruction costs associated with the Waddle Road Interchange project. The loan was awarded to Kish Bank. The Township anticipates debt service payment of approximately \$200,000 per year after the initial interest only payments during the drawdown period. In the spring of 2014, the Township and Kish Bank agreed to extend the drawdown period of the loan for one year to June 2015 because the project had been going more slowly than originally anticipated, mainly because of PennDOT's review process. In the spring of 2015, the Township and Kish Bank agreed to extend the drawdown period of the loan for an additional two years to June 2017. The pace of the project has now picked up and all funds necessary for the project are expect to be expended by 2017.

Loan Proceeds – Electoral Debt Open Space: #393.122

On November 4, 2014 the voters approved a referendum authorizing the borrowing of \$3.5 million to acquire and preserve additional open space lands in the Township. To fund this acquisition a borrowing (bond or loan) will be made in 2016. The type of borrowing will depend on the borrowing environment at the time. A request for proposals for a 20 year bank loan will be made but having a bond issue will also be contemplated.

Return Encumbrances to Fund Balance

Funds for projects which have previously been encumbered but, for a variety of reasons, do not occur and must be returned to the Fund Balance for other uses.

Refund: Prior Year Expenditure: #395.000

This account includes refunds (dividends) on our insurance policies and other expenditures previously paid out. For 2015, a refund from the health insurance cooperative was received for having claims that were lower than premiums. Based on a year-to-date experience, no refund is expected in 2016.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	REVENUES: NON-TAX SOURCES					
301	<u>ASSESSMENTS</u>					
.930	Streetlight Assessments	43,162	43,473	42,680	42,765	42,851
.940	Fire Hydrants Assessments	22,730	23,775	22,784	23,240	23,472
.950	Homestead Farms Neighborhood Improvmt District	18,383	14,871	14,871	14,871	14,871
	SUB-TOTAL	84,275	82,119	80,335	80,876	81,194
321	<u>LICENSES & PERMITS</u>					
.200	Health-Food Establishments	7,059	6,300	7,700	7,700	7,700
.330	Zoning Permits	18,979	42,416	26,566	27,559	28,500
.334	Rental Housing Permit Application Fee	1,940	2,160	1,670	1,700	1,700
.335	Rental Housing Permit Surcharge	9,927	9,150	10,173	10,200	10,200
.340	Fee for Issuing Dog Licenses	132	130	116	126	126
.610	Solicitors, Peddlers, & Chickens	75	45	145	50	50
.900	Sign Permits	1,517	1,365	814	1,393	1,428
322 .820	Road Occupancy Permits	2,717	4,054	3,533	3,628	3,783
	SUB-TOTAL	42,346	65,620	50,717	52,356	53,487
321 .800	CABLE TV FRANCHISE	247,822	253,743	255,413	261,798	268,343
.801	Small Cell Antennae Fees-Crown Castle	15,000	21,000	0	6,000	6,000
331	<u>COURT FINES</u>					
.110	Motor Vehicle Code Violations	48,375	53,887	45,553	44,642	46,190
.120	Ordinance & Crimes Code Violations	30,376	42,296	40,237	40,667	43,685
	SUB-TOTAL	78,751	96,183	85,790	85,309	89,875

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	REVENUES: NON-TAX SOURCES (CONT'D)					
341 .000	<u>INTEREST</u>	3,938	3,500	4,630	4,650	4,650
	<u>DEPARTMENTAL EARNINGS</u>					
361						
.340	ZHB Fees/Rezoning Applications	0	360	360	440	267
.400	Plan Review and Inspection Fees	18,574	25,000	15,351	14,176	16,034
.410	Plan Review Handling Fees	955	925	1,898	1,026	1,293
.520-.540	Sale of Misc. Ordinances	8	27	50	25	28
362						
.110	Sale of Accident Reports	2,120	2,250	2,715	2,372	2,402
.440	Sewage Permits/Soil Log Test	7,629	6,819	10,257	8,685	8,857
	SUB-TOTAL	29,286	35,381	30,631	26,724	28,881
361 .600	<u>TAX COLLECTION FEES</u>					
.630	Wage Tax Coll. Fee/School Dist	2,923	0	0	0	0
.640	Real Estate Tax Collection Fees	22,152	22,152	22,100	22,653	22,653
.650	Charges for Tax Payment Confirmation	1,845	2,000	1,733	1,868	1,815
	SUB-TOTAL	26,920	24,152	23,833	24,521	24,468

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	REVENUES: NON-TAX SOURCES (CONT'D)					
380 .410	<u>PENN STATE IMPACT FEES</u>	42,675	45,816	45,852	44,809	47,049
387 .420	<u>BUILDING RENT REVENUE</u>	41,163	41,163	41,163	41,163	41,163
	<u>MISCELLANEOUS</u>					
380 .000	Miscellaneous Revenues	3,625	2,200	1,931	2,286	2,614
380 .300	Winter Maintenance Contract - Private Road	2,483	2,500	2,817	2,170	2,490
387 .000	Private Contributions/Bus Subsidy	10,544	10,544	10,544	10,544	10,544
387 .070	Cash in Lieu of Parkland - Timberton Estates	0	0	3,333	3,333	3,333
387 .205	Private Contribution Signal Battery Backup	49,976	0	0	0	0
387 .250	Contract for Resurfacing School Drive	167,160	0	0	0	0
387 .255	Contribution to Road Resurfacing-SCBWA	8,000	8,000	0	0	0
387 .350	Community Gardens	2,120	2,100	2,320	2,320	2,320
387 .430	Traffic Mitigation Fees	300	19,610	24,923	34,308	19,844
389 .100	Insurance Proceeds	2,122	0	41,677	0	0
391 .100	Sale of Surplus Property	6,759	1,000	4,245	2,500	2,500
393 .121	Loan Proceeds-Road Projects	235,348	1,995,363	854,593	1,042,327	1,195,400
393 .122	Loan Proceeds-Electoral Debt Open Space	0	3,500,000		3,500,000	0
	Return Encumbered Revenues to GF	0	0		0	0
395 0	Refund-Prior Year Expenditure	75,288	15,000	43,054	12,250	15,000
	SUB-TOTAL	563,725	5,556,317	989,437	4,612,038	1,254,045
	TOTAL NON-TAX SOURCES	1,175,900	6,224,994	1,607,800	5,240,244	1,899,155

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: GENERAL GOVERNMENT SERVICES

General government services include three areas of Township activity as well as an accounting of other expenses not assigned to a department.

- A. **General Government** - Major general Government expenses include outside professional services (legal counsel, actuary, and auditor), liability insurance, advertising, building operations and Centre Region Council of Government (COG) administration.
- B. **Administration** - The Township's Administrative Office includes the Manager, Secretary, and Receptionist, (3 FTE: full time employees) and the Finance Office (2.6 FTE). The Manager is responsible for day-to-day operations of the Township within the policy and budgetary parameters established by the Board of Supervisors. Department heads report to the Manager. The Director of Finance and Administration is responsible for all financial reporting, tax operations and accounting for the Township, as well as human resource administration.
- C. **Tax Collection** - The Township Tax Office collected the Township/School District Earned Income Tax (EIT) through the end of 2011. In 2012 collection of EIT shifted to the Centre County Tax Collection Committee. The Committee appointed the State College Borough Tax Office as the tax collector for 2012 through 2016.

During the period when the Manager (or another staff member) is appointed by the Board of Supervisors as the elected Tax Collector, the collection of real estate taxes for the Township, County and State College Area School District is assigned to the staff of the Tax Office. The Tax Office provides 1 FTE for Real Estate Taxes and that person also handled the close out of pre-2012 EIT collections. The Tax Office is supervised by the Director of Finance and Administration.

- D. **Other** - This minor category provides for items that do not fit elsewhere in the budget.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT

GENERAL EXPENDITURES: #400

Salaries - Governing Body: #400.113

The Second Class Township Code, based on the 2010 census figures, provides that each member of the Board of Supervisors may be paid up to \$4,125 per year. Changes in the pay rate must be made by ordinance. No pay change for incumbents is permitted during their term of office. For 2016, all five Supervisors will be paid \$4,125.

Professional Services – Financial Services: #400.311

The Township appoints a Certified Public Accounting firm to perform an annual audit of the Township's financial records. The amount budgeted for 2016 is based on an estimate from the auditor. This line item also reflects the costs of mandated actuarial valuations for the Township pension plans; but additional actuarial services will be required annually because of a new financial reporting standards regarding pension liabilities. Beginning in 2015, the Government Accounting Standards Board requires that any unfunded pension liability be included in the audited financial statements. This new standard will require additional actuarial and auditing services.

Professional Services - Codification: #400.316

A complete recodification of the Township's ordinances was completed in 1996. The amount allocated is for regular updates of the Code of Patton Township as new ordinances are adopted. This line item includes a maintenance fee for the codification software.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

GENERAL EXPENDITURES (CONT'D): #400

Communications – Telephone/Data: #400.321

This line item covers monthly service charges for all Township phone lines, long distance calls for administration, internet services, email, and miscellaneous service charges. These services are provided by Windstream and Comcast and are hosted at the Borough of State College.

This line includes partial reimbursements for Township use of cell phones to the Manager and Director of Finance and Administration.

Advertising: #400.341

This line item covers the cost of required legal advertisements for Township meetings, public hearings, bid notices and two issues of the Township newsletter. This includes ads for special services such as leaf collection and volunteer recruiting. The 2016 proposal is based on the current year's experience.

Printing: #400.342

The cost of printing Township forms, letterhead, envelopes, and the budget are included here. Minimal costs are incurred these days as most printing is completed in-house.

Insurance - Business Liability: #400.352

The insurance coverage for the Township provides protection for liability, errors and omissions, and an umbrella policy to cover excess claims. Courts have forced municipalities to increase taxes to pay claims when insurance coverage was not sufficient.

The Township issued a request for proposals for all insurance lines for 2010 renewals. The contract beginning in 2010 is for a three year period with a two year renewal option. 2016 rates are estimated to increase by 3%.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

GENERAL EXPENDITURES (CONT'D): #400

General: #400.421

General expenses include the annual appreciation dinner for residents who serve on the Township Authorities, Boards, and Commissions and an employee appreciation event, reference books, coffee supplies, memorial contributions, and other miscellaneous expenses. The 2016 appropriation is based on anticipated costs of services as well as a small contingency to cover unforeseen expenses.

LST Collection Fee: #400.423

This line includes the cost of Local Services Tax (LST) collection services provided by the State College Borough (SCB) Tax Office. These costs have doubled since the imposition of the EMST in 2005 because the LST is a more labor intensive tax to collect than the EMST. The costs reflected are for taxes collected in the previous year. In 2013, Patton Township and the State College Borough agreed on a revised collection fee of 3% rather than an accounting of extra costs. This should result in a lower fee for future years.

2014 amounts include some adjustments from previous years' collections, therefore is higher than budgeted. Going forward, costs are expected to remain relatively level.

Centre County Tax Collection Costs: #400.424

This line item includes the Township's share of cost for the Centre County Tax Collection Committee (CCTCC); the body responsible for overseeing the collection of earned income taxes under Act 32, as well as the fee of 2.4% of revenue collected that the Township pays State College Borough (SCB) as appointed Tax Collector for the CCTCC. Actual cost will be reconciled by SCB at year end and payments will be adjusted. The 2016 budget equals 2.1% of the Earned Income tax revenue line because each year there has been a refund when actual costs are reconciled to fees paid.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

GENERAL EXPENDITURES (CONT'D): #400

Employee Appreciation: #400.425

To show appreciation to staff for the exceptional efforts they make to serve our residents, a small amount of money has been set aside to use as needed to provide tokens of thanks. In general it is used to purchase additional tickets for the 4th of July fireworks which is very popular with employees and their families.

Wellness Program: #400.426

In 2008 an Employee Wellness Committee was formed to motivate employees to improve their quality of life through fitness, health programs, etc. This line item is funded from the premium rebates received from the self-insured health plan. Keeping people healthy and fit has a direct correlation to the cost of health insurance paid by employees and the Township. Based on survey results, funds are allocated to pay a monthly stipend to employees to offset fitness club memberships, to have a service come to the building to do health screenings for employees and family members, and to stock healthy snacks such as oatmeal, Cheerios, and fruit bars. The 2016 appropriation is to support the continuation of this initiative.

Training and Seminars: #400.460

This line item covers the cost of attending the training sessions offered by the Pennsylvania State Association of Township Supervisors (PSATS) at the annual conference as well as other training sessions and classes for the Board of Supervisors. The Board has also elected to join the Pennsylvania Municipal League and attend the annual conference. The amount for 2016 reflects anticipated costs for conference attendance.

Centre Region COG Administration: #400.530

This item includes Patton Township's share of the general costs of membership in the Centre Region Council of Governments (COG). The Township's share of each COG program's cost is budgeted in appropriate sections of the Township budget. The COG budget provides a complete description of services, proposed 2016 activities, and allocations of municipal shares.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

LEGAL SERVICES: #404

Legal Services: #404.314

Each year the Board of Supervisors appoints a firm to serve as Solicitor for the Township. As of January 1, 2007, the firm representing the Township is Babst Calland Clements and Zomnir, with Elizabeth Dupuis serving as the principal solicitor for Patton Township. This line item provides for an annual retainer for the firm. Costs for special cases such as defending the Township at major Zoning Hearing Board cases are billed as an extra expense.

Other Legal Expenses: #404.316

This line item covers filing fees, recording fees, expert testimony, and other fees excluding such major cases as Bellefonte Lime. The 2016 proposal provides funds for minimal services not covered by retainer, such as contract negotiations for the police contract which is due to expire in December 2016.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

TOWNSHIP BUILDING: #409

On January 29, 2004, the Township reoccupied the renovated municipal building. The expanded facility provides adequate space for current employees with sufficient room for expansion over the next decade. It also includes a large meeting room for Board and ABC meetings and has been used for various other functions such as, Citizen's Police Academy, PSATs classes, Patton Township Business Association, the Spring Creek Water Shed Community, and Acid Rock Drainage Partnership meetings.

Wages for Building & Grounds Maintenance and Overtime: #409.143 and #409.183

This line item reflects the wages for the employee who is responsible for routine building maintenance, janitorial services, landscape maintenance and building snow removal. Wages for this position are set by the Township's pay plan. Additional costs from the road crew are included when they have assisted on a building project.

Longevity: #409.182

This account provides for a scheduled payment to non-salaried employees completing six or more years' employment with the Township.

Cleaning and General Supplies: #409.226

This line item includes the cost of cleaning and other supplies as needed. The 2016 amount is based on the current year's experience.

Heating and Fuel: #409.230

This line item covers the cost of heating the old Municipal Building. Heat for the Township Building is electric (see line item #409.361 below). The Public Works facility is heated by gas (see line item #409.362 below). The 2016 proposal includes these costs, as well as fuel for the emergency generator.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

TOWNSHIP BUILDING (CONT'D): #409

Repair and Maintenance Materials: #409.250

This line item includes paint, carpentry supplies, light bulbs, and so on for the buildings. The 2016 proposal is based on the current year's experience.

Property Insurance: #409.351

This category provides insurance for the Township Buildings and contents. The fire station building is included in the Township's policy but is reimbursed by COG. The numbers proposed for property insurance in 2016 are based on estimates from the agent.

Public Utility Service - Electric: #409.361

This item provides for electricity used in the Township Buildings and the exterior lights. The proposed budget is based on the current year's experience. The Township joined an electricity consortium and rates have remained stable.

Public Utility Service - Gas: #409.362

This line item provides for the natural gas used to heat the Public Works facility.

Public Utility Service – Trash Removal: #409.365

This line item includes trash and recycled materials collections from the Municipal Building and Public Works facility. The 2016 budget proposal is based on the cost of contracted services. The Township's employees have made concerted effort to recycle as much as possible thereby reducing the amount of waste hauled. Service needs were reviewed and the Township was able to reduce the number of trash pick-ups per month.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

TOWNSHIP BUILDING (CONT'D): #409

Public Utility Service - Water: #409.366

This fee is for water used at the Municipal Building and shop. The amount budgeted is based on current year's costs.

Repair and Maintenance - Building: #409.373

This line item is for maintenance and repair services in and around Township Buildings such as HVAC, major cleaning, and generator maintenance contracts.

Capital Equipment: #409.740

This line item represents the addition or purchase of assets related to the Township buildings.

For 2016, the proposed budget includes costs for elevator maintenance, utility software costs, website fees, and a \$1,000 contingency for unexpected costs.

For 2017, the forecast includes costs for elevator maintenance, utility software costs, website fees, a backup server and printer for \$15,000 and a \$1,000 contingency for unexpected costs.

Landscaping: #409.742

The 2016 proposal includes costs for general maintenance of the building landscape.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

GENERAL GOVERNMENT (CONT'D)

TOWNSHIP BUILDING (CONT'D): #409

Allocation to Buildings Refurbishment Reserve: #409.743

In order to maintain the building appearance over time, the 2005 budget proposed the creation of a reserve account for future refurbishment, replacements and major maintenance projects such as painting, carpet, furniture, and fixture replacements. In 2007, staff created a replacement/refurbishment schedule for the fund, which includes all of the Township facilities, including the office building and the shop buildings. The capital and building maintenance needs of the fire station are now the responsibility of the Alpha Fire Company and COG.

The allocation for 2016 is based on funding the replacement schedule.

Public Works Office Renovation: #409.744

This proposal involves taking unused space in the tax office and renovating it to provide for 2 additional offices for the public works department. One office will be for the new position of Assistant Road Superintendent and the other will be used for the Assistant Engineer. The cost estimate was provided by Fernsler Architects.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

ADMINISTRATION #401

Finance Director Salary: #401.114

This position is a professional position requiring training in financial administration, accounting, budgeting, and appropriate computer operations as well as the supervision of the Tax Office. Five percent of the Director of Finance and Administration's salary is reflected in the Tax Collection Staff section of the budget. In prior years ten percent had been allocated to tax. The 2016 Budget is based on the Township Pay Plan.

Manager Salary: #401.121

The Manager reports directly to the Board of Supervisors and is responsible for all administrative and operational activities of the Township. The Board of Supervisors establishes the salary of the Manager. The proposed amount is consistent with the Township Pay Plan.

Accountant Salary: #401.140

This line item provides for a part time Accountant to perform bookkeeping, payroll, financial analysis and other clerical work for the Township. This position is a .875 FTE position.

Administrative Secretary Salary: #401.141

This position serves as the secretary for the Township Manager and the Director of Finance and Administration and as Assistant Township Secretary. In 2010, the incumbent terminated employment with the Township. After careful review of the other clerical positions and in light of the Earned Income Tax Collection being removed from the Township, it was decided to reallocate the duties of this position amongst other staff. For 2012, an employee was assigned to spend 60% to this position and 40% to the Tax Office. For 2013, most of the Earned Income Tax work had been completed, so this position was budgeted 90% to administration and 10% to the tax office. For 2014, 100% of the position is budgeted here. Based on the salary survey performed by McGrath Consulting in 2014, this position is being adjusted to market rate and increased one grade in the pay schedule. This position is cross trained in Tax Collection and payroll which is valuable to the Township as those duties have no other back up in the event of an emergency. The Township Manager now serves as Township Secretary as defined by the Township Code.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

ADMINISTRATION (CONT'D) #401

Receptionist Salary: #401.142

The salary proposed is based on the Township's pay plan.

Finance Clerk: #401.144

This part-time position was created in 2005. This position performs the accounts payable function. This position covers 15-20 hours per week as required.

Employee Benefits: #401.150

This account provides for the cost of pension, health, life and dental insurance, workers' compensation, unemployment insurance, employee education assistance benefit, and social security for Administration employees. It also includes the manager's additional life insurance. The 2016 proposal is based on the renewal costs of benefits, taking into consideration rate increases where appropriate, with 100% of the Secretary's benefits allocated here as of 2014.

Longevity: #401.182

This account provides for a scheduled payment to non-salaried employees completing six or more years' employment with the Township.

Office Supplies: #401.210

Operation of the Township office requires a substantial supply of paper, pens, copier paper, computer accessories, etc. The amount budgeted for 2016 is based on current experience.

Repair/Maintenance Office Equipment: #401.250

This line item covers repair and maintenance for office equipment.

Communications - Postage: #401.325

Most postage in this line item is used by Township Administration for correspondence and distribution of meeting agendas and minutes. The amount for 2016 is based on this year's experience with a rate increase built-in.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

ADMINISTRATION (CONT'D) #401

Auto Allowance: #401.337

This account is used to reimburse Township administration employees, including the Manager, for use of their personal vehicles for Township business. The reimbursement rate is the current IRS rate.

Surety and Fidelity Bond: #401.353

The Bond for the position of Treasurer (Director of Finance and Administration) is required by the Second Class Township Code and has been set at \$3 million. This line item provides for the purchase of this bond.

Dues and Subscriptions: #401.420

Dues and subscriptions include the cost of Township membership in the Pennsylvania Association of Township Supervisors (PSATS); subscriptions to municipal publications; membership for the Township Manager in the International City/County Management Association (ICMA) and the Association of Pennsylvania Municipal Managers (APMM); and membership in the Government Finance Officers Association (GFOA) and the State GFOA for the Director of Finance and Administration, as well as other memberships in professional associations as appropriate. It also covers various periodicals pertinent to government administration and finance. The amount budgeted for 2016 is based on estimated costs.

In 2015, the Township tested a discounted membership to the Pennsylvania Municipal League, whose mission is to strengthen, empower and advocate for effective local government. The PML may better suit the urban nature and size of the Township as we are now considered a large Township by PSATs standards. This account reflects membership in both organizations.

Training and Seminars: #401.460

This line item covers the cost of attending required training for administrative staff and the annual conferences of the professional associations of the Director of Finance and Administration and the Manager. The budgeted amount is based on an estimate of the cost for state and national conferences.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

ADMINISTRATION (CONT'D) #401

Information Technology Services: #401.530

In late 2013, State College Borough proposed a change to the way technology services would be provided going forward. The relationship has changed to a vendor (State College Borough)/customer (Patton Township) relationship and the pricing model has changed to what the Borough refers to “industry standard” pricing based on equipment owned rather than hours of service used. Since the Township is linked, technologically to State College Borough for internet, tax and police software and shared servers, it is very hard to extricate from State College Borough’s services. After two years of service under this new agreement, staff feels that the Township has been receiving adequate service and has renewed for 2016.

Wage Study: #401.700

In 2005 Patton, College, Ferguson, and Harris Townships participated in a wage study to review municipalities pay plans. At the time, the Township committed to having regular reviews of all positions covered in the pay plan. This is to ensure pay rates are adequate to attract and retain highly qualified employees. The last study revealed a number of positions below market rates, which were adjusted in 2009.

A complete study was conducted by McGrath Consulting, who has completed previous studies for the township, in 2014 to review pay rates and job duties as well as an additional review of the workflow operations in the Public Works Department. The consultant recommended adjustments to the market rates of four positions as a result of the salary survey and a reassignment of a number of duties throughout the Public Works department. Also as a result of the study, a new position, Assistant Road Superintendent, was created in the Public Works department. This position will supervise the road crew and day-to-day operations of the road crew. The Road Superintendent will do more project management and planning and assist the Public Works Director.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

ADMINISTRATION (CONT'D) #401

Machines & Equipment: Capital: #401.740

This category is used to purchase machines and equipment including such items as computers for general administration and finance, and copiers for the Township. The expenditures for 2016 included \$5,000 in lease and maintenance payments for the color copier, software updates, financial software maintenance, one iPad, capital improvement plan software, SeeClickFix software and a \$500 contingency for unexpected requirements.

TAX COLLECTION:

TAX COLLECTION: ELECTED # 402

Collection of the Township, County and School District real estate taxes has been assigned to the Township Tax Office since 1986.

Salaries and Benefits: # 402.140

In 2001, 0.5 FTE was allocated for the collection of real estate taxes. With earned income tax being transferred to the county wide collection system under Act 32, the tax office was reorganized in 2012.

This represents the salary of one full time employee and 5% of the Director of Finance and Administration's salary as supervisor of the Tax Office.

Benefits: # 402.150

This account provides for the cost all benefits including pension, health and life insurance, workers' compensation and unemployment insurance and FICA taxes for 1 FTE.

Longevity: # 402.182

This account provides for a scheduled payment to non-salaried employees completing six or more years of employment with the Township.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

TAX COLLECTION: (CONT'D)

TAX COLLECTION: ELECTED (CONT'D) # 402

Office Supplies: # 402.210

This line item is for envelopes, forms, and other office supplies for real estate tax collection. Expenditures are shared with the County and State College Area School District as appropriate.

Other Operating Expenses: # 402.241

This line item details the costs of postage, printing of real estate bills and duplicates, computer services, mailing service charges and other expenses relating to real estate tax collection.

Software maintenance costs are included in this line item. Every three years a blanket bond for the Tax Collector is paid as required by the County.

Telephone: # 402.321

This account provides for the expense of any long distance calls by the Tax Office. Basic telephone service for the Tax Office is included in the General Government budget.

Capital Purchases: #402.740

This line item reflects costs for a computer replacement in 2014.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

TAX COLLECTION (CONT'D):

TAX COLLECTION: STAFF #403

Up to 2012, the tax office collected the Earned Income Tax for the Township and the State College Area School District. Since July 2002, the School District paid the Township a fee based on half the actual costs of collecting this tax. Previously 1.65 FTEs had been assigned to collection of Earned Income Taxes and .5 FTE was assigned to collect Real Estate Taxes. Under Act 32, the Township is required to transfer collection of earned income tax to a county wide collector. In Centre County, the collector will be State College Borough (SCB). SCB began collecting taxes from employers and individuals for tax year 2012 and beyond. The Township was responsible for collecting 2011 fourth quarter employer reports and processing 2011 individual earned income tax returns. To that end, staff was assigned to this function throughout 2012. For 2013, .3FTE was assigned to this function finishing up claims and distributions paid to other municipalities for taxpayers in Patton Township as well as collection of delinquent balances. No further staff time is assigned to this function.

Finance Director Salary: # 403.114

No portion of the Director of Finance and Administration's salary had been allocated for supervision of the tax collection function.

Salaries: # 403.140

No staff assigned to this function as of 2014.

Employee Benefits: # 403.150

No benefits assigned to this function.

Other Operating Expense: # 403.241

Software maintenance fees for the EIT program are included here. This program no longer needs to be maintained.

EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)

OTHER EXPENDITURES:

This category accounts for expenditures that do not fit elsewhere in the budget.

Refund Prior Year Revenues: #491.000

This account provides for refunds of Real Estate Tax, Local Services Tax, and Real Estate Transfer Tax payments received in a previous year that were paid in error or reversed by the State.

A small amount is included in 2016 and 2017 as a contingency.

Accrued Compensated Absence: #492.170

This account shows the annual expense to the reserve fund for severance obligations (sick leave, personal leave and vacation leave). As recommended by the Auditors, the Township began setting aside funds in 1993 as a reserve to normalize the unpredictable year- to-year variations in expenditures. See the Designated Reserve Fund: Accrued Compensated Absences for more information. In 1998 the Board of Supervisors approved a policy to budget \$5,000 for this account only if the balance fell below 10% of our obligation. As of the 12/31/14 audited financial statements, this obligation is approximately \$597,000. A number of separations are anticipated over the next several years in police and public works, therefore, the allocation is being increased over the next several years.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: GENERAL GOVERNMENT SERVICES					
	<u>GENERAL GOVERNMENT</u>					
	GENERAL					
400 .113	Salaries - Governing Body	19,750	19,750	19,750	20,625	20,625
.311	Professional Services-Financial	34,266	46,438	41,034	39,066	41,019
.316	Professional Services-Codification	9,781	10,000	9,226	10,000	10,400
.321	Communications-Phone/Internet	21,655	19,901	17,205	17,721	18,430
.341	Advertising	14,594	15,861	16,327	16,817	17,490
.342	Printing	0	350	163	200	210
.352	Insurance-Business Liability	36,423	36,705	36,868	37,974	39,113
.421	General	12,601	15,795	13,939	14,357	14,788
.423	LST Collection Fees	10,015	8,576	7,116	7,387	7,535
.424	Centre County Tax Collection Costs - EIT	33,485	41,080	37,313	41,188	48,248
.425	Employee Appreciation	550	1,000	2,621	2,687	2,768
.426	Wellness Programs	2,145	2,300	1,890	1,947	2,025
.460	Training & Seminars	4,028	6,000	5,499	5,637	5,862
.530	Centre Region COG-Administration	88,787	89,070	89,070	83,200	86,112
	SUB-TOTAL	288,079	312,826	298,021	298,806	309,625
	LEGAL SERVICES					
404 .314	Legal Services	24,000	24,000	24,000	24,000	25,000
.316	Other Legal Expenses	60	2,500	207	4,500	2,500
	SUB-TOTAL	24,060	26,500	24,207	28,500	27,500

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)					
	<u>GENERAL GOVERNMENT (CONT'D)</u>					
409	TOWNSHIP BUILDINGS					
.142	Wages for Building, Grds Mtce, Road Crew	38,737	39,613	39,134	40,188	41,394
.182	Longevity	700	750	750	750	750
.183	Building and Grounds Maintenance Overtime	948	1,112	907	934	962
.226	Cleaning & General Supplies	2,983	4,750	3,592	3,699	3,847
.230	Heating & Fuel	4,424	5,955	3,993	4,113	4,278
.250	Repair & Maintenance Materials	1,480	2,255	2,415	2,487	2,586
.351	Property Insurance	10,086	14,589	11,981	12,340	12,834
.361	Public Utility Service - Electric	23,888	25,350	24,402	25,134	26,139
.362	Public Utility Service - Gas	2,358	2,635	3,607	3,715	3,864
.365	Public Utility Service - Trash Removal	1,052	1,105	1,062	1,094	1,138
.366	Public Utility Service - Water	1,070	1,266	911	938	976
.373	Repair & Maintenance Services	13,374	17,220	14,882	15,328	11,677
.740	Capital Equipment	4,147	23,433	19,731	5,220	21,000
.742	Landscaping	2,106	2,161	1,156	2,200	1,500
.743	Allocation to Building Refurbishment Reserve	0	29,000	29,000	35,500	37,000
	Public Works Office Renovation	0	69,000	69,000	50,000	0
	SUB-TOTAL	107,353	240,194	226,523	203,640	169,945
	TOTAL GENERAL GOVERNMENT	419,491	579,520	548,751	530,946	507,070

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)					
	<u>ADMINISTRATION</u>					
401 .114	Finance Director Salary	79,920	87,140	75,194	87,302	89,921
.121	Manager Salary	102,437	105,465	105,465	108,701	111,962
.140	Accountant Salary	38,940	39,921	40,120	41,159	42,394
.141	Administrative Secretary Salary	37,043	40,058	40,034	40,785	42,008
.142	Receptionist Salary	30,620	31,542	31,529	32,490	33,465
.144	Finance/Tax Clerk	17,257	15,992	17,910	18,546	19,102
.150	Employee Benefits	158,685	158,372	158,308	178,661	187,594
.182	Longevity	3,500	3,650	3,500	3,500	3,800
.210	Office Supplies	3,346	4,103	2,636	2,715	2,824
.250	Repairs / Maintenance - Office Equip.	0	50	0	0	0
.325	Communications-Postage	1,485	2,688	3,380	3,481	3,620
.337	Auto Allowance	1,390	1,783	1,294	1,333	1,466
.353	Surety & Fidelity Bond	1,750	1,750	2,522	3,740	3,852
.420	Dues, Subscriptions	7,271	8,565	10,612	10,930	11,367
.460	Training & Seminars	5,788	6,425	6,322	8,000	8,320
.530	Information Technology Services	27,298	30,301	26,146	26,931	32,957
.700	Wage Study	9,584	0	0	0	6,000
.740	Machine & Equipment Capital	15,583	14,550	13,206	14,449	14,882
	TOTAL ADMINISTRATION	541,897	552,355	538,178	582,722	615,534

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)					
	<u>TAX COLLECTION</u>					
402	TAX COLLECTION: ELECTED					
.140	Salaries	49,406	50,797	50,975	52,411	53,983
	Finance Director 5%	4,018	4,586	3,958	4,595	4,733
.150	Benefits	22,367	23,252	24,746	27,423	28,794
.182	Longevity	1,300	1,300	1,300	1,300	1,300
.210	Office Supplies	0	0	25	26	30
.241	Other Operating Expenses	8,273	8,550	4,974	5,123	5,635
.253	Surety & Fidelity Bond			750	800	850
.321	Telephone	3	15	10	10	15
.740	Capital Purchases	1,437	0	0	0	0
	SUB-TOTAL	86,805	88,500	86,737	91,687	95,340
403	TAX COLLECTION: STAFF					
.114	Finance Director Salary	0	0		0	0
.140	Salaries	0	0	0	0	0
.150	Employee Benefits	0	0	0	0	0
.241	Other Operating Expenses	0	1,600	0	0	0
.325	Communications - Postage	142	100	0	0	0
.353	Surety & Fidelity Bond			0	0	0
	SUB-TOTAL	142	1,700	0	0	0
	TOTAL TAX COLLECTION	86,946	90,200	86,737	91,687	95,340

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: GENERAL GOVERNMENT SERVICES (CONT'D)					
	<u>OTHER EXPENDITURES</u>					
491 .000	Refund Prior Year Revenues	750	924	0	500	500
489 .000	Prior Years Expenditures (Insurance Bills)	6,832	0	0	0	0
492 .170	Alloc. to Accrued Comp. Absence Reserve	18,492	10,000	73,039	40,273	25,000
	TOTAL OTHER EXPENDITURES	26,073	10,924	73,039	40,773	25,500
	TOTAL GENERAL GOVERNMENT SERVICES	1,074,408	1,232,999	1,246,705	1,246,129	1,243,444

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: POLICE

The Patton Township Police Department is responsible for public safety and law enforcement in the Township. The Department currently has a force of 18 sworn personnel: a chief, three full-time detectives, a half-time designated crime prevention officer (0.5 FTE), three patrol sergeants, and 9.5 FTE patrol officers. There are two full-time civilian employees in the police department.

A third detective was appointed in April 2010. This was to relieve the workload which was being covered by patrol officers and provide a proactive response to drug-related activities by working more closely with the State Attorney General's Bureau of Narcotics Investigation.

In order to move towards staffing shifts with two patrol officers, the department hired an additional patrol officer in July 2009. Sergeants' duties are expected to become more supervisory rather than patrol with at least 50% of their time allocated to administrative, management and training tasks. With the economic downturn, the department's staffing level was attrited by one position. This position is not budgeted to be staffed in 2016.

A four-year labor contract was approved in 2012 covering the period January 1, 2013 to December 31, 2016. The Patton Township Police Officers' Association (PTPOA) represents all sworn personnel except the Chief. Related benefit costs pertaining to the contract have been incorporated into the budget.

The 2016 vehicle fleet will consist of 13 vehicles: 12 sedans and one 4x4 utility vehicle. Cars are assigned to the following uses: seven cars to active patrol use, three for criminal investigations, a DARE vehicle, the Chief's vehicle, and a staff vehicle used for traffic, tactical driving training, travel to training, and as a patrol vehicle if one is out of service (see 410.741 and Appendix A: Designated Reserve Fund-Police Vehicle Replacement). In 2012, one patrol car was not taken out of service but instead kept as part of active patrol. Having seven patrol vehicles allows officers to be assigned a car, therefore allowing for longer vehicle life expectancy. In 2007, the policy on cruiser rotation was changed from a 5-year life to 6 years. This policy change accommodates the increase in staff size, and the increase in traffic and other police details.

EXPENDITURES: POLICE (CONT'D)

Computers and radios are essential in law enforcement. The Patton Township Police Department joined the area-wide CRIMES II records system in 1989 and updated the system in 1998. A companion to the records system is Communications. The Patton Township Police Department is part of a regional digital (800 MHz), P-25, radio system with dispatch from the Centre County Emergency Command Center (911). The Public Works department also uses the 800 MHz radio spectrum, further consolidating the area's emergency communications system. In 2000 the Township began equipping cars with Mobile Computer Terminals (MCTs). The MCTs allow officers to access information such as calls for service, driver's license/registration and warrant items from their cars.

After extensive research by a consortium of local law enforcement agencies comprised of Ferguson Township, Penn State University, State College Borough, Centre County Emergency Communications and Patton Township, a contract was awarded to IPC Systems, Inc., in 2007 for a new records management and mobile computer data system. The new system went live in June 2009. However, the vendor of the existing records management system which is shared regionally will no longer provide service after 2015. A replacement is being sought out.

The new system integrates with the County 911 dispatch center and MCTs, thereby allowing officers to efficiently complete reports in the field. Furthermore, the incident data, once reviewed for approval, will automatically update the records database eliminating the need for manual data entry. This will permit officers to remain on patrol and visible in the community instead of requiring them to return to station to manually complete a report.

The police department uses a function-based budget. Emergency Response and Patrol account for the majority of the Department's expenditures. Crime Prevention, Communications and Records, and Criminal Investigation are broken out as separate functions. The following budget sections provide the details of each functional category in the police department budget.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL #410

Emergency Response and Patrol are the basic functions of the Patton Township Police Department. The department provides response to calls for assistance from Township residents, businesses and the public, 24 hours per day, 365 days per year. Examples of calls to 911 include crimes-in-progress, serious traffic accidents, assistance at fire/ambulance scenes, and enforcement of Township ordinances such as weed violations, parking, dogs at large, and sidewalk obstruction (failure to remove snow/ice) violations. In addition to emergency response, patrol officers conduct neighborhood patrol, traffic enforcement, follow-up investigations, school walkthroughs, home vacation and business checks, child seat checks, and warrant details.

Another element of Emergency Response is critical incident intervention. Township officers may respond to incidents in Patton Township or in other Centre Region jurisdictions. The Patton Township Police Department has joined with other area agencies to mutually equip and train special response personnel to respond to any type of critical incident including hostage or high risk warrant situations.

Chief Salary: #410.122

The Chief is responsible for managing the operations of the police department. This position reports to the Township Manager. The Chief's salary is established by the Township's pay plan. Ninety percent of this salary is charged to Emergency Response and Patrol and ten percent to Communications and Records.

Sergeant Salary: #410.130

The patrol sergeants are responsible for direct supervision of the patrol officers and report to the Chief of Police. The appropriation for 2016 includes the salary for three full-time sergeants. The hourly wages are set by contract with the PTPOA (see 410.141).

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

Police Officer Salary: #410.141

All police officer wages are set by negotiations between the PTPOA and Patton Township. A new four-year police contract began in January 2013. All but two officers (one hired in July 2012 and one hired in July 2015) will be in the Police Officer 5 category in 2016. One Police Officer 5 is assigned 50 percent to Crime Prevention/Community Relations and 50 percent to Emergency Response and Patrol. Annual wages are calculated based on 2,160 hours per year per officer including holiday pay which is regularly scheduled as part of our 24 hour/day patrol coverage.

School Crossing Guard: #410.142

The Township had two crossing guard positions until Fall 2013, each covering two shifts: one at North Oak Lane and Douglas Drive and the other at School Drive and Douglas Drive. When a crossing guard resigned in late 2013, the need for two crossing guards was reviewed. The Board of Supervisors was advised that only one guard was needed for the School Drive/Douglas Drive intersection. Therefore, the crossing guard vacancy was not filled. The cost of this position is shared equally with the State College Area School District and is shown here as a net cost to the Township. The 2016 daily rate will increase by the CPI to \$29.22 per day.

In-House Automotive Services: #410.143

This line item accounts for the township mechanic's time used in police vehicle maintenance and repair. By hiring an onsite mechanic, the Township is saving on costly repairs because of an effective preventative maintenance program. The turnaround time on vehicle repairs is exceptional. This limits the likelihood of a vehicle shortage for patrol.

Employee Benefits: #410.150

This item provides for the cost of pension, health, dental, and life insurance, workers' compensation, unemployment insurance, and social security for police department employees assigned to emergency response patrol. The cost shown here is the Township's cost net of officers' contributions for health care and pension. Officers are required to contribute 5% of their base pay to the pension plan and 10% of health care premiums for 2016. In 2013, based on the actuary's recommendation, the Township changed to an updated mortality table for pension calculations. The 2016 Pension contribution will be \$168,148 spread amongst all police divisions.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

Longevity Pay: #410.182

This item is set by negotiations with the Patton Township Police Officers' Association and applies to all incumbent officers completing 6 years of service. The payment schedule starts at \$700 per year and goes to \$1,400 after 20 years of employment.

Overtime Pay: #410.183

Overtime is required by contract when officers attend court or magistrate hearings scheduled at times other than during their regular shift, when officers work additional hours or shifts to fill in for others on leave, attend training outside their regular shift, or when an investigation requires work beyond the regular shift. The 2015 projections are less than budgeted because the above noted additional manpower needs did not occur. The proposed 2016 budget is based on the 2015 experience of projected overtime hours and allocated hours for the following: special traffic enforcement, outside requests for assistance by neighboring police jurisdictions and miscellaneous duty assignments.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

Supervisory Overtime: #410.187

This item covers sergeant's overtime resulting from patrol and supervisory duties. The proposal for 2016 is based on the 2015 budget plus the contracted salary increase.

Office Supplies: #410.210

These include stationery and supply items used by the police department (e.g., print cartridges/toner, paper, tablets, calendars, staples, clips, pens, etc).

Gasoline: #410.231

This item reflects the cost of unleaded gas for the patrol vehicles as well as the staff, Chief's and DARE vehicles. The Township purchases gasoline at a 24-hour vendor's pump. The 2016 budget is based on the projected usage calculated at an estimated cost of \$2.75 per gallon (net Township cost without liquid fuels taxes).

Clothing, Uniforms, Ammunition: #410.238

This category covers items such as uniforms, accessories, ballistic body armor, leather goods, and ammunition (duty and practice) (\$5900), Taser® cartridges (\$1650), and an annual \$300 per officer boot and glove reimbursement as provided by the PTPOA contract. Since one officer is eligible to retire, \$3000 is included for new officer uniform and equipment costs. The proposed budget for 2016 is based on routine uniform and ammunition replacement, and other equipment items.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

Other Operating Expenses: #410.239

A wide variety of items and services are necessary to ensure that the department functions properly. Examples of some of the costs involved include speed timing unit calibrations which must be certified every 60 days, flares, latex gloves, fire extinguisher recharges, criminal justice reference books, and command post costs. Additional costs include a fee (\$500) for medical oversight of the department's AED (automated external defibrillators), and a resource search program (\$840). Included in the proposed 2016 budget are funds for PA law enforcement accreditation (\$1000). The 2015 projections are less than budgeted because a proposed law enforcement range in Spring Township was delayed and funding was not needed.

Small Tools/Minor Equipment: #410.260

Included for 2016 are funds for the following: two replacement AEDs (automated external defibrillators) (\$2800), replacement shotguns, replacement patrol bike (\$1200), unmanned aerial vehicle (\$3,000), ballistic tactical shields (\$11,400), ballistic helmet and face shields (\$4,200).

Communications - Phone: #410.321

This account includes all long distance and cellular phone charges for the seven marked patrol vehicles, and staff. The 2016 budget continues to include reimbursement to officers for cell phone costs that allow them to be easily accessible for emergency call outs.

Communications - Postage: #410.325

Stamps, stamped envelopes, special postage service fees, and shipping costs are included in this category.

Communications - Radio Equipment: #410.327

All police mobile radios, as well as the police base station, operate on a computer-controlled 800 MHz, P-25, digital system. This maximizes channel usage potential. Included in the proposed 2016 budget are funds for spare batteries for the portable radios.

Auto Allowance: #410.337

This is the reimbursement paid to officers who use their own vehicles for non-patrol functions such as court, interviews, etc.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

The rate is established by the police contract which follows the current IRS rate.

Advertising: #410.341

Advertising expenses for the police department include the bicycle auction and seasonal advisories.

Printing: #410.342

This account is used for the printing of departmental forms, such as ordinance warning/violation forms, and citations.

Property Insurance: #410.351

This line item represents the cost of insurance coverage on department property including police cars.

Liability Insurance: #410.352

This line item provides for police professional liability insurance.

Cruiser Maintenance: Parts and Service: #410.374

Parts for repair and vehicle upgrades (such as lighting) are included in this line item.

Laundry Service: #410.440

This line item includes cleaning of uniforms and other items.

Meetings, Conferences, Seminars, Dues: #410.460

The Department continues to emphasize the importance of training. Training ensures officers remain at their most efficient and effective in their public service duties. Whenever possible, free training or outside funding sources are utilized. Also included are law enforcement membership fees and publications.

EXPENDITURES: POLICE (CONT'D)

EMERGENCY RESPONSE AND PATROL (CONT'D) #410

Meetings, Conferences, Seminars, Dues (cont'd): #410.460

Officers are required by the Municipal Police Officers' Training Commission to complete yearly training updates. This will be completed online. Officers are certified by in-house instructors in first aid and in the use of AEDs (automated external defibrillators), oxygen and CPR. Annual certification is also conducted in the use of an expandable baton and Tasers®.

The Department will send officers to non-mandatory training courses in areas such as: less-than-lethal force, accident investigation, crime scene management, firearms, supervisory skills, hostage negotiations, crisis intervention team, professional association training, tactical, and leadership training. Specialized training for the three detectives (see #416.460) and the crime prevention officer (#413.460) is found in the respective program budgets.

Previously listed training will continue on an annual basis. The 2016 budget proposes the following training: supervisory training, crisis negotiations training, executive development, Taser recertification and crime scene training, PA Tactical Officers Association Conference (\$900), and crisis intervention training (\$1,900), firearms and drug recognition expert training.

Hiring/Promotion Expense: #410.461

The current police officer entry certified list will expire on December 31, 2015. Since one officer is eligible to retire, funding is budgeted for a hiring process. This line item includes funding for expenses related to advertising, testing and attending the police academy (tuition, room, meals), medical and psychological testing.

Machinery and Equipment: #410.740

Items costing more than \$4,000 are included in this line item. No items are budgeted for 2016.

Allocation to Police Vehicle Replacement Fund: #410.741

This account provides for the annual appropriation for the police vehicle replacement (see Restricted Reserve Fund - Police Vehicle Replacement). All patrol car vehicles are purchased through cooperative or state contract bid programs.

In keeping with the police vehicle replacement fund matrix, one new patrol vehicle is proposed for purchase in 2016.

EXPENDITURES: POLICE (CONT'D)

CRIME PREVENTION / COMMUNITY RELATIONS #413

The primary functions of the crime prevention/community relations division include working with businesses and homeowners on crime prevention and security, instructing bank employees and other local businesses on how to deal with robberies and potential fraud, Project KidCare, Junior Police Academy, Patton Township Safety Fair, and Citizens' Police Academy.

A police officer is assigned, half-time, to crime prevention/community relation activities. That time and associated costs are included in the Crime Prevention/Community Relations portion of the police department budget. The balance of this officer's time is charged to the Emergency Response/Patrol section.

The calculations for 2016 for Crime Prevention/Community Relations expenditures with respect to police officer salary and employee benefits line items were determined using the assignment ratio of crime prevention/community relations officer (0.5 FTE).

The crime prevention/community relations officer has a strong and amicable relationship with the Patton Township Business Association. A great deal of support for the Safety Fair comes from the Patton Township Business Association.

The Patton Township Police Department sponsored its 15th annual Safety Fair at the Colonnade shopping plaza in October 2016. The Safety Fair provides opportunities for children and adults to meet first responders during a relaxed and fun-filled day. Patton Township would like to commend the Patton Township Business Association for their tremendous support of this important community event. The business association will continue to be an active participant in future fairs.

EXPENDITURES: POLICE (CONT'D)

CRIMINAL INVESTIGATION (CONT'D) #416

The Patton Township Junior Police Academy had its first graduating class in 2002. This is a cooperative program with other jurisdictions led by Patton Township. The purpose of the academy is to provide positive interaction between police and Centre County high school students aged 15-17. The 2016 academy will consist of 16 hours of instruction over eight weeks.

Funding for the Crime Prevention/Community Relations officer to attend crime prevention related courses is budgeted in 410.460.

Police Officer Salary: #413.141

This reflects fifty percent of the salary of a Patrol Officer 5. Benefits are reflected in the Patrol category.

Overtime Pay: #413.183

Overtime compensation is required when this officer performs functions outside his regular duty. This account includes extra time for Junior Police Academy, Project Kid Care, financial institution security training, safety programs at various businesses, Law Enforcement Day activities and the Safety Fair.

Other Operating Supplies & Minor Equipment: #413.242

This line item provides for supplies (coloring books, hats, pamphlets, stickers and rulers) for community safety and awareness activities. Items for Project Kid Care are included as well as items for the Junior Academy and Safety Fair.

Meetings, Conferences, Seminars, Dues: #413.460

Specialized training in the crime prevention/community relations field is funded in 410.460.

Machinery and Equipment (Major): #413.740

No items are budgeted for 2016.

EXPENDITURES: POLICE (CONT'D)

CRIMINAL INVESTIGATION (CONT'D) #416

CRIMINAL INVESTIGATION #416

This division is comprised of three full-time detectives assigned to investigations. A third detective position was filled in April 2010. A third detective provided a more proactive response to drug related activities by working more closely with the State Attorney General's Bureau of Narcotic Investigation and assisted in relieving excess workload currently covered by patrol officers.

Detectives usually work in 'plain clothes' and are responsible for the investigation of most crime reported in the Township. The Emergency Response/Patrol officers routinely handle minor incidents. Major investigations requiring extensive work hours, special technical capabilities, etc. are coordinated with outside agencies such as the State Police, FBI and State Attorney General's office. The detectives work together and with other police agencies and the county district attorney's office.

Each detective is assigned an unmarked car. In 2010, the Centre County District Attorney's Office provided the use of a county vehicle to the department for investigative work.

Police Officer Salary: #416.141

One officer has been assigned full-time to this function since 1989. A second detective was appointed to the position in July 2000. The newly assigned third detective assumed responsibilities in April 2010. Their salaries are set by contract with the PTPOA. Detectives' rates are 2.5% above a Police Officer 5 salary (Police Officer 5 - see #410.141).

In-House Automotive Services: #416.143

This line item provides for maintenance work on the detectives' vehicles by the Township mechanic.

Employee Benefits: #416.150

This line item provides for the cost of pension, health, dental and life insurance, workers' compensation and unemployment insurance and social security of the officers assigned detective duties. The explanation in Patrol #410.150 regarding pension obligation and health insurance contributions applies to the detectives' benefits in this line item.

EXPENDITURES: POLICE (CONT'D)

CRIMINAL INVESTIGATION (CONT'D) #416

Longevity Pay: #416.182

This item is set by the contract with the PTPOA. The payment schedule is found in the Emergency Response/Patrol section of the budget.

Overtime Pay: #416.183

Overtime compensation is required when the detectives attend court, hearings or have interviews or calls for investigations not occurring during the regular shift.

Gasoline: #416.231

This account provides for the gasoline used in the detectives' vehicles.

Clothing, Uniforms, Ammunition: #416.238

The detectives receive an annual clothing reimbursement. This amount is set by contract with the PTPOA.

Other Operating Expenses: #416.239

This account provides for minor items for the detectives. The 2016 budget includes crime scene materials.

Small Tools/Minor Equipment: #416.260

This line item includes tools and equipment costing less than \$4,000. Included for 2016 is funding for cell phone forensic analysis software.

EXPENDITURES: POLICE (CONT'D)

CRIMINAL INVESTIGATION (CONT'D) #416

Communications - Phone: #416.321

This account provides for the service of all land and cell phone service by criminal investigation (three detectives).

Communications - Radio Equipment: #416.327

This account covers spare portable radio batteries.

Property Insurance: #416.351

This account provides for the cost of the insurance for the detectives' vehicles.

Liability Insurance: #416.352

This account covers a prorated share of the department's police officers' liability insurance coverage.

Repair and Maintenance of Vehicles: #416.374

This account provides for the maintenance and repair parts and service for the detectives' vehicles.

Laundry Service: #416.440

Because the detectives wear business clothes instead of uniforms, this line item accounts for the cleaning of their attire as negotiated in their contract.

Meetings, Conferences, Seminars, Dues: #416.460

Specialized training in the criminal investigation field is funded in this category. Courses in child abuse, narcotics investigation, cell phone forensics, and hostage negotiations are examples of training programs that our officers have attended. Membership dues for investigative organizations such as the Pennsylvania Narcotics Officers' Association, PA Homicide Investigators and MAGLOCLLEN (Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network) are included.

EXPENDITURES: POLICE (CONT'D)

COMMUNICATIONS/RECORDS

#417

The key support systems for the department are in the Records Section and the communications apparatus. In 1998 the Patton Township Police Department joined in a then state-of-the-art program (CRIMES III) with other area police departments. This section of the budget provides for the costs of maintaining and upgrading those systems. It also includes the mobile computer terminals (MCTs) which allows patrol car computers access to calls for service information and the ability to access driver's license/registration information, warrant information, etc.

After extensive research by a consortium of local law enforcement agencies comprised of Ferguson Township, Penn State University, State College Borough, Centre County Emergency Communications and Patton Township a contract was awarded to IPC Systems, Inc., in 2007 for a new records management system. The system went live in June 2009. However, the vendor of the existing records management system which is shared regionally will no longer provide service records after 2016. Procurement of a replacement system is currently underway.

The system interfaces with the MCTs, thereby allowing officers to efficiently complete reports in the field. Furthermore, the incident data, once reviewed for approval, will automatically update the records database eliminating manual data entry. This will permit officers to remain on patrol and visible in the community instead of requiring them to return to station to investigate.

Patton Township became a partial owner of the system along with other local municipalities.

Chief Salary: #417.122

One-tenth of the Chief's time is assigned to this function. He oversees the recording and entry of data as well as the preparation of reports. The balance of his salary is assigned to Emergency Response/Patrol.

Secretary Salary: #417.140

The police secretary position is a full-time position, with responsibilities for the police department reception and for police records. The salary is set by the Township's pay plan.

Records Clerk Salary: #417.141

This full-time position operates under the supervision of the police secretary. The clerk performs intermediate clerical work in logging and inputting of reports and related data.

EXPENDITURES: POLICE (CONT'D)

COMMUNICATIONS/RECORDS (CONT'D) #417

Employee Benefits: #417.150

This item provides for the cost of pension, health and life insurance, workers' compensation, unemployment insurance and social security for the police department's civilian employees and a prorated share of the Chief's benefits.

Longevity: #417.182

This account provides for a scheduled payment to non-salaried employees completing six or more years' employment with the Township.

Overtime Pay: #417.183

This account covers any overtime required for the department secretary and records clerk.

Contracted Services (Computer): #417.450

This account covers maintenance costs related to the records management system. Patton Township is a 17% owner of the system. Included in the proposed 2016 budget is \$6,900 for annual maintenance costs. The Mobile Computer Terminal (MCTs) airtime costs for seven computers (\$7,700) are in this line item. Costs related to IT Borough Support is also budgeted (\$9,500). Also included in this line item are costs related to the operation of the Centre County Central Booking Center that is located at the Centre County Correctional Facility (\$0). This is due to revenues (court costs paid by defendants) exceeding expenditures.

Meetings, Conferences, Seminars, Dues: #417.460

Included in this category is training for the police secretary and records clerk.

Hiring Expense: #417.461

This line item covers hiring expenses as needed.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: POLICE (CONT'D)

COMMUNICATIONS/RECORDS (CONT'D) #417

Machinery and Equipment: #417.740

The proposed 2016 budget includes a contingency of \$1,500.

CRIMES System Software Upgrade: #417.741

The new Records Management System went live in June 2009. Maintenance costs will be approximately \$6,900 per year (see 417.450). However, the vendor of the existing records management system which is shared regionally will no longer provide a service agreement after 2016. Therefore, a consortium of local law enforcement agencies will be researching options related to a new system. \$55,000 was budgeted in 2015 (and will be encumbered) and again in 2016 for a total of \$110,000 for the purchase and installation of the existing records management system.

Emergency Communication Upgrade: #417.742

In 2007, the Centre County Commissioners contracted a consultant to assess the County's current public safety communications systems (which police and public works use) and to make recommendations for upgrades and improvements. Several years ago, the Centre County Commissioners hired a project manager to oversee the implementation of the system upgrade. Centre County went live with the new system in 2014. As part of the radio upgrade, the department's mobiles, portables and base units have been either upgraded or newly purchased.

Mobile Digital Video Recording Project: #417.742

Mobile Digital Video Recording Units would be placed in the marked patrol vehicles in order to record police incidents. The units are generally placed above or near the rearview mirror. The benefits include documenting probable cause issues relating to vehicle/criminal offenses, and police/citizen contact. This will provide an indisputable record of encounters potentially resulting in a reduction of court time by officers. Officer safety might also be enhanced with vehicle recordings. The remaining two marked patrol vehicles were fitted in 2015 with the recording units. Currently, all seven marked patrol vehicles have recording devices.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: POLICE					
410	<u>EMERGENCY RESPONSE PATROL</u>					
.122	Chief Salary	85,153	87,853	88,489	90,916	93,643
.130	Sergeant Salary	234,990	238,950	246,154	244,922	251,045
.141	Police Officer Salary	706,985	749,591	758,730	771,886	801,183
.142	School Crossing Guard	2,274	2,597	2,148	2,212	2,278
.143	In-house Automotive Services	8,478	12,118	8,145	8,412	8,664
.150	Employee Benefits	593,969	594,364	619,708	694,382	664,101
.182	Longevity Pay	12,100	13,950	13,950	16,850	16,850
.183	Overtime Pay	54,386	35,004	23,636	29,337	36,413
.187	Supervisory Overtime	25,161	16,480	17,007	17,317	17,633
.210	Office Supplies	1,445	1,517	1,876	1,902	1,928
.231	Gasoline	36,438	42,745	27,866	31,873	37,609
.238	Clothing, Uniforms, Ammunition	25,680	17,670	17,970	22,660	25,660
.239	Other Operating Expenses	8,113	11,900	8,900	8,000	8,240
.260	Small Tools/Minor Equipment	13,815	9,222	8,722	28,691	9,250
.321	Communications-Phone	8,815	11,000	10,005	10,115	10,500
.325	Communications-Postage	1,307	1,387	901	946	975
.327	Communications-Radio Equip.	0	900	850	850	900
.337	Auto Allowance	1,282	1,035	1,647	1,697	1,750
.341	Advertising	0	200	0	0	0
.342	Printing	180	334	322	339	350
.351	Property Insurance (Cruisers, Radios, etc...)	10,246	10,553	14,487	14,921	15,667
.352	Liability Insurance	14,400	14,401	14,517	14,953	15,701
.374	Cruiser Maintenance: Parts and Service	11,933	16,474	13,001	13,391	14,061

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: POLICE (CONT'D)					
	EMERGENCY RESPONSE PATROL (CONT'D)					
410 .440	Laundry Service	2,868	3,748	3,200	3,360	3,460
.460	Meetings/Conferences/Seminars/Dues	8,283	16,800	15,250	16,200	16,750
.461	Hiring / Promotion Expense	3,731	750	8,570	18,980	10,500
.741	Allocation to Police Vehicle Reserve Fund	45,000	45,000	45,000	46,000	47,000
	TOTAL EMERGENCY RESPONSE PATROL	1,917,032	1,956,543	1,971,051	2,111,112	2,112,111
413	CRIME PREVENTION/COMMUNITY RELATIONS					
.141	Police Officer Salary	36,267	36,873	42,671	40,626	41,642
.183	Overtime Pay	0	0	0	500	500
.242	Other Operating Supplies & Minor Equipment	3,750	3,700	3,600	3,700	3,811
.460	Meetings/Conferences/Seminars/Dues	0	0	0	700	700
	TOTAL CRIME PREVENT./COMMUN. RELAT.	40,017	40,573	46,271	45,526	46,653

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
416	EXPENDITURES: POLICE (CONT'D)					
	<u>CRIMINAL INVESTIGATION</u>					
.141	Police Officer Salary	220,958	226,779	232,268	235,936	241,834
.143	In-house Automotive	902	1,282	1,018	1,051	1,083
.150	Employee Benefits	122,317	127,395	113,175	142,604	134,734
.182	Longevity Pay	4,200	4,200	4,200	4,200	4,200
.183	Overtime Pay	20,227	10,815	7,500	7,725	7,957
.231	Gasoline	2,233	3,260	2,213	3,040	3,131
.238	Clothing, Ammo	2,812	3,750	4,000	4,120	4,244
.239	Other Operating Expenses	306	575	565	600	618
.260	Small Tools/Minor Equipment	481	2,500	2,400	6,800	7,004
.321	Communications-Phone	1,022	1,737	1,637	1,687	1,738
.327	Communications-Radio Equipment	0	195	185	200	206
.351	Property Insurance	1,413	1,455	1,944	2,002	2,102
.374	Repairs & Maintenance of Vehicles	1,321	2,060	1,505	1,200	1,260
.440	Laundry Service	728	801	783	806	846
.460	Meetings/Conferences/Seminars/Dues	6,193	5,500	3,000	6,615	6,946
	TOTAL CRIMINAL INVESTIGATION	385,113	392,304	376,393	418,586	417,903

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST	
417	EXPENDITURES: POLICE (CONT'D)						
	<u>COMMUNICATIONS / RECORDS</u>						
	.122	Chief Salary	9,600	9,761	9,832	10,101	10,404
	.140	Secretary Salary	43,511	44,055	44,589	45,969	47,348
	.141	Records Clerk Salary	36,169	37,265	37,270	38,415	39,567
	.150	Employee Benefits	40,483	41,781	40,769	45,532	47,809
	.182	Longevity	2,600	2,600	2,600	2,600	2,600
	.183	Overtime	490	600	0	600	630
	.450	Contracted Services (Computer)	22,845	34,818	34,818	24,100	24,823
	.460	Meetings/Conferences/Seminars/Dues	0	600	0	500	600
	.740	Machinery & Equipment (Major)	3,605	8,000	1,488	1,500	0
	.741	Records Management System	0	55,000	55,000	55,000	0
	.742	Emergency Communications Upgrade	0	0	0	0	0
	.743	Mobile Digital Video Recording Project	10,740	11,400	11,400	0	0
	TOTAL COMMUNICATIONS / RECORDS	170,044	245,880	237,766	224,317	173,781	
	TOTAL POLICE EXPENDITURES	2,512,206	2,635,300	2,631,481	2,799,541	2,750,448	

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: PUBLIC WORKS

I. Overview

The Public Works Department is responsible for maintenance of Township roads and facilities, engineering review of new and existing infrastructure, and administration of construction contracts. The Director of Public Works oversees the department's activities and also serves as the Township Engineer. The road crew provides maintenance for facilities and is under the direction of the Assistant Road Superintendent. The Director, a registered professional engineer, carries out the engineering duties. In 2011, the Assistant Director position became vacant. All duties of the Assistant Director are performed by the Director or delegated to other staff. The Zoning Officer, Engineering Technician, and Department Secretary provide support. In 2013 it was determined that the Departments immediate needs could best be served by a Project Manager in lieu of an Assistant/Director Engineer. With the Township's park development slowing down; it was determined to reclassify the Parks Project Manager position to Public Works Project Manager. Many of the duties of the position are similar however; this reclassified position will manage projects outside of a "parks" classification. In 2014, the duties of the Road Superintendent were reevaluated. It was determined to hire an Assistant Road Superintendent to directly manage the Road Crew and have the Road Superintendent assist with responsibilities that were previously performed only by the Director. The major functions of the Public Works Department are:

A. Maintenance

1. Roadways - the Road Crew maintains roadways, curbing, sidewalks, signs, signals, pavement markings and roadside vegetation.
2. Snow and Ice Control – the Road Crew schedules shifts in the winter so that plow and salt trucks are on the streets when needed for road safety. At times there will be 24-hour coverage during prolonged snowfalls. The Crew is on call 24 hours a day, seven days a week, all winter long.
3. Leaf and Brush Collection – In addition to the regular spring and fall leaf and brush collection, the Crew conducts monthly (3-days per month) leaf/brush collection from residential areas. About 800 truckloads of leaves are collected from early October to early December. The crew also assists State College Borough with operation of the Leaf Compost Facility.
4. Stormwater System Maintenance – the Road Crew maintains the Township's system of pipes, inlets, swales and cross pipes.

EXPENDITURES: PUBLIC WORKS (CONT'D)

I. Overview (CONT'D)

II.

B. Engineering

1. Facilities Management – The department conducts roadway pavement inspections twice a year, issues and inspects roadway occupancy permits, locates the Township's underground pipes and lines for PA ONE CALL requests, manages the Township's traffic signals and carries out the Park Development Program.
2. Land Development – The engineer and zoning officer review all plans, work as staff for the Planning Commission, inspect construction for new Township facilities, and answer inquiries from citizens and developers.
3. Other duties – The Department responds to citizen inquiries regarding drainage, traffic and pedestrian issues; administers the traffic calming program and consultant contracts; maintains contacts with other municipalities, authorities, PennDOT, DEP, and utilities in the region; serves on regional technical advisory committees and other ad hoc groups; and supports the maintenance work of the road crew. The Director manages the NPDES Stormwater permit program with assistance from the Engineering Technician.

C. Construction Contracts

Each year the Township bids the road-resurfacing program for completion by contract. Other contracts are bid, awarded, and managed as needed for Township projects; such as: gasoline, diesel fuel, concrete, aggregates, and asphalt.

D. Other Responsibilities

In addition to its major functions, the Public Works Department has responsibilities for the following:

1. Public grounds maintenance including the Township Buildings.
2. Vehicle and equipment maintenance, including police vehicles and other staff cars.
3. Maintenance of parks not in the regional maintenance program.

EXPENDITURES: PUBLIC WORKS (CONT'D)

II. Commentary

Some of the noteworthy elements of the 2016 budget include the following:

A. Road Maintenance

In 2016, the budget proposes an additional \$100,000 of expenditures above our normal annual expenditures for overlay projects. 100% of the funds are being used from liquid fuels funds and does not impact the general fund. The additional funds will be primarily used for “mill and fill” projects. Several roadways within the Township have small sections of the road that need additional attention. This is a result of several harsh winters that have accelerated some deterioration in these locations.

B. Salt Prices

The 2016 budget includes our projected salt usage at \$77.10 per ton, which is the fixed per ton price in the 2015-2016 COSTARS Sodium Chloride Contract. This is an 11% increase from 2015 contract prices. This is being brought to attention because it is uncommon for increases of this magnitude in a low oil price environment. Staff should continue to pay close attention to future prices so that adjustments can be made.

C. Valley Vista Left Turn Lanes

The 2016 budget includes \$192,480 for preliminary and final design of a \$1,252,207 project to construct turning lanes on Valley Vista Drive at its intersection with Amblerwood Way, Oakley Drive, Devonshire Drive, and Sandy Ridge Road. Patton Township has been awarded an \$800,000 Multi-Model Transportation Grant through the Pennsylvania Department of Transportation. In the Grant Application, Patton Township proposed a funding scenario of \$452,207 to be paid by Patton Township and the balance of \$800,000 to be paid with the grant money.

The total project would be completed by the end of 2017.

EXPENDITURES: PUBLIC WORKS (CONT'D)

II. Commentary (Cont'd)

D. Road Resurfacing Reserve Fund

The Public Works Department is proposing a \$45,000 General Fund contribution to the Road Resurfacing Fund for 2016. A detailed description of this fund can be found in the Designated Reserve Fund section of the budget.

E. Traffic Signal Battery Backup

The Public Works Department is proposing the installation of two additional battery backup systems for signal locations along North Atherton Street. Funds for this project were encumbered from the developer of the Trader Joe's site.

F. Adaptive Signaling on Valley Vista Drive

The Public Works Department is proposing the installation of an adaptive signal control system for the Valley Vista Drive corridor. The project is estimated at \$183,000 and consists of the installation of a new computer server and fiber optic from the Township building to the Valley Vista corridor.

G. Road Equipment Reserve Fund

The Public Works Department is proposing an allocation of \$47,082 to the Road Equipment Reserve Fund. A detailed description can be found in the Designated Reserve Fund of the budget.

EXPENDITURES: PUBLIC WORKS (CONT'D)

III. LFT Expenses

Each year the Township receives an allocation from State Liquid Fuel Taxes (LFT) collected on gasoline and diesel fuel sales. The amount provided is based on a municipality's road mileage and population. The expected allocation for 2016 is \$434,836. This is an increase of approximately \$52,555 from the 2015 allocation.

Each year the Township expends these LFT funds on eligible road maintenance and related items such as asphalt, deicing salt, and power for traffic signals. Beginning with the 2006 budget, the Department provided a detailed plan of the specific expenses that will be paid with LFT funds. Where LFT funds are allocated to Reserve Funds, separate allocations from the LFT funds and General funds are denoted. Following are the proposed 2016 allocations:

<u>Line Item</u>	<u>LFT Expense</u>	<u>General Fund Expense</u>	<u>Total</u>
Repair & Maintenance Supplies (SALT)	\$ 60,031	\$ 36,525	\$ 96,556
Repair & Maintenance of Vehicles	\$ 29,564	\$ 15,338	\$ 44,902
Electricity/Traffic Signals	\$ 5,624	\$ 0	\$ 5,624
Allocation to Equip. Replacement Res.	\$ 164,673 ⁽¹⁾	\$ 47,082	\$ 211,755
Allocation to Road Improvement Res.	<u>\$ 230,000</u>	<u>\$ 45,000</u>	<u>\$ 275,000</u>
Total	\$ 489,892	Total \$ 143,945	Total \$ 633,837

⁽¹⁾This is the maximum allowable amount of LFT funds (20%) that may be utilized for equipment purchases plus the 20% allowable from 2015.

EXPENDITURES: PUBLIC WORKS (CONT'D)

IV. Line Item Detail

PUBLIC WORKS #430

Salary - Road Superintendent: #430.122

The Road Superintendent's salary is established as part of the Township's pay classification plan.

Assistant Public Works Director – Salary: #430.125

The salary is established as part of the Township's pay plan. The Assistant Director also serves as the Assistant Township Engineer. The Assistant Director manages the subdivision and land development plan reviews, works with the Road Superintendent in field layout of public works construction projects, manages the NPDES Phase II permit activities, and provides support for other department functions. The budget does not include funding this position in 2016.

Public Works Director - Salary: #430.130

The incumbent in this position also serves as Township Engineer. The salary is established as part of the Township's pay plan. To reflect his work and oversight in Planning/Zoning functions, 20% of the director's salary is assigned to Zoning.

Secretary - Salary: #430.140

This position is assigned full-time to the Public Works Department. Duties include secretarial services for the Public Works Director, Assistant Director, Zoning Officer, Planner, Parks Projects Manager, and Road Superintendent; the maintenance of zoning and sign permits; and secretarial work for the Planning Commission, Zoning Hearing Board, Sign Review Board and Water Authority. One-half of the secretary's salary is assigned to Planning/Zoning.

Public Works Project Manager: #430.141

The salary is established as part of the Township's pay plan. The Project Manager will assist the Director by managing the day to day administration activities of assigned projects. A portion of this position's salary is paid from the General Fund – Parks where a small amount of duties are still required to be managed by this position in 2016.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Engineering Technician – Salary: #430.142

This employee assists the Director by collecting traffic data, performing routine field work, and maintaining mapping and databases. In 2009, the Engineering Technician began providing the Police Department mapping showing all reportable crashes within Patton Township. This information will be utilized to possibly alert Police and Public Works Staff of possible areas to further investigate. In 2010 the Engineering Technician provided the complete data base of all Township road signs including condition. This information will be utilized to determine the extent of the work to be performed over the next four to five years replacing signs that do not meet sign retro-reflectivity standards. This full-time position was created in April 2007. In 2012, this position was provided an increase in pay due to the additional responsibilities picked up with the departure of the Assistant Engineer. The salary is set by the Township's Pay Plan.

Salaries - Road Crew: #430.143

Road crew salaries are established as part of the Township pay plan. Proposed 2016 staffing consists of eleven (11) full-time road crew employees, 1 building maintenance employee, and 1 mechanic position. This is the same level of staffing as 2015. Portions of the road crew salaries are assigned to the Police, Buildings, and Parks budgets to account for services performed to support these functions. Seasonal employees may be available on standby during the winter months if additional assistance is needed. The Public Works Department created a new position in 2014, the Assistant Road Superintendent to directly supervise the Road Crew. The Road Superintendent will take on higher level responsibilities to assist the Director.

Employee Benefits: #430.150

This item covers the cost of pension, health and life insurance, workers' and unemployment insurance and social security for the Public Works Department employees. When Road Crew employees work on police vehicles, building maintenance and in the parks, their wages are assigned to those departments but benefits are still assigned to this line.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Longevity: #430.182

Longevity pay was initiated for the Road Crew in 1986, and is provided in accordance with the schedule published in the Employee Handbook.

Secretary Wages - Overtime: #430.181

Overtime is paid when the secretary must attend meetings or otherwise work longer than the regular workweek. Approximately 75% of the secretary's overtime is related to Planning Commission meetings and is accrued under account # 414 (planning and zoning). The remaining 25% is assigned to roadwork maintenance and engineering.

Engineering Technician Overtime: #430.183

This item provides for overtime pay for the Engineering Technician. Little overtime is anticipated for 2016.

Overtime Pay: #430.184

The majority of overtime for the Public Works crew is for snow and ice removal since this work cannot be scheduled. In the past some overtime was incurred due to leaf collection, however, no overtime has occurred in the last three years due to the recent purchase of the two one-person leaf collection trucks. The funds budgeted for 2016 are based on the last 15 years' experience and adjusted for additional crewmembers and lack of overtime for leaf collection as noted above.

Office Supplies: #430.210

This line item includes regular office supplies and equipment used in the Public Works office. The projected expenses are based on the previous ten years' experience. Expenses previously budgeted in G414210 have been included within this line item for 2016.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Vehicle Fuel - Gasoline: #430.231

The budget amount is based on the expected usage determined by the fleet size, road mileage and estimated price-per-gallon. In 2009, the Public Works Department completed the conversion of all trucks from gas to diesel. The remaining gas usage is for all Public Works administrative vehicles including the Zoning Officer vehicles, two pick-up trucks, and miscellaneous smaller equipment within the department.

For 2015, overall gas prices were in line with projections. Projected expenditures will be in line with the budget.

Over the past 12 months the Public Works Department has purchased gas at prices ranging from \$2.25 per gallon to \$3.27 per gallon. The expenditure for 2016 is calculated by averaging usage for the last 12 months and estimating prices at \$2.75 per gallon. This results in a budgeted amount that is slightly less than the 2015 budgeted amount.

Vehicle Fuel - Diesel: #430.232

This line includes pump purchases for trucks and bulk purchases for other equipment. The budget is based on the expected usage based on previous experience. 2015 diesel fuel prices were slightly lower than expected. Over 2014, the Public Works Department has purchased diesel fuel at prices ranging from \$2.78 per gallon to \$3.60 per gallon.

Oil, Lubricants & Other Operating Expense: #430.234

This line item includes the costs of oil and lubricants for the operation of Township vehicles. The 2016 expenses are based on the previous 14 years' experience.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Clothing Allowance: #430.238

This line item provides an allowance of \$375 for each full-time crewmember for the annual purchase of one pair of work boots, rubber boots, work gloves, T-shirts, sweatshirts and safety glasses for all crewmembers and prescription safety glasses for employees requiring corrective lenses. It also provides for the bi-annual purchase of coveralls and a jacket for the full-time employees. The Engineer, Assistant Engineer, Engineering Technician, and Zoning Officer are allocated \$100 each for boot purchases.

Road Materials (Salt): #430.245 & L432.245

The use of salt is critical to effective snow and ice control. The projected amount for 2015/2016 winter includes purchases to date for last winter and 300 tons (at \$77.10 per ton) to manage snow through the end of the year. The budgeted amount is based on the average usage per road mile over the last 20 years (eliminating the high and low years of '97 and '98) at the estimated price. The budgeted amount also includes 50 tons for resale to the State College Area School District, if required.

The road salt budget for 2016 is showing an increase of approximately \$10,000 from the 2015 budget. The current per ton price under the State contract is \$13.47 per ton higher than 2015 contract final price.

Operating Supplies: #430.246

This line item provides for the purchase of miscellaneous supplies used in public works, such as shop supplies, cones, barricades, rakes, grass seed and materials for mailbox repairs in the winter. 'Supplies' includes items noted above and consumable materials. Materials of a durable nature that become part of the infrastructure are included in line 430.247.

Road Materials (Road Work & Drainage): #430.247

This line item covers materials used in road and drainage maintenance, including pipe, signs, asphalt for paving shoulders and repairing roads, and stone for maintaining shoulders. As the road crew paves shoulder areas and the Township maintains an aggressive resurfacing program, the material requirements for roadway maintenance are reduced. In contrast, expenditures for materials to replace drainage facilities have increased in the last three years indicating that pipes installed in Park Forest Village 30 to 40 years ago are reaching the end of their service life.

Expenditures are projected to be in line with the 2015 budgeted amount. The 2016 budget, based on a 6 year adjusted average, includes \$14,000 for berm and street maintenance, \$4,000 for drain repairs and \$6,000 for signs and marking paint.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Repair and Maintenance: Vehicles: #430.250 & L437.250

This line item covers the cost of all parts and supplies, used in the upkeep of the Public Works fleet of 9 trucks, 5 vehicles and 16 motorized pieces of maintenance equipment.

In 2006, the Board authorized the hiring of a mechanic to maintain this fleet. The new mechanic has relieved Road Crew personnel from repairs and enables them to address road maintenance needs and has reduced the amount spent on outside repairs. The 2015 projections show that expenses are in-line with the budget for vehicle maintenance. The budget amount is based on the adjusted average of the last 14 years expenses. In 2015, expenses from G414.250 have been added to this item.

Small Tools and Minor Equipment: #430.260

This line item provides for the purchase of small tools and minor equipment costing less than \$4,000. Purchases for the upcoming year include public works furniture (\$1,400), filing cabinets (\$800), plan holders (\$800). It also includes an allowance of \$50 for each road crew member to purchase small tool items.

Line Painting: #430.310

This line item covers costs associated with painting double-yellow centerline and white edge line along our collector streets. It also covers the cost of providing pavement markings such as arrows, crosswalks and stop bars at several intersections throughout the Township.

This work is managed through a contract bid and administered by Ferguson Township and is based upon expected needs.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Professional Services - General: #430.313

The appropriation in the budget covers specialized services (such as geotechnic, surveying and testing) that may be needed for roadways, and maintenance fees for software. The annual MS4 permitting program contracts with Clearwater Conservancy to administer the educational components of the permit. The 2015 budget includes the purchase of software from Facility Dude to track work orders within the Township.

Other Services: #430.316

This item includes outside services and miscellaneous items:

Drug & Alcohol testing	\$1,200	Winter Maintenance for Purdue Mtn. Road	\$1,100
Scheduled maintenance of traffic signals	\$1,100	Meals & Lodging for crew for extended snow storms	\$ 500
Traffic Signal Repairs	\$3,000	ONE-CALL Fees	\$1,050
Tree removal/care	\$2,000	Miscellaneous	\$1,450
Employment Physicals	\$ 320	Paint for Intersections	\$3,000

Leaf Composting: #430.317

The leaf composting fee is based on the Patton Township's share of the costs for the processing site and operation. The billing period for the leaf composting fee runs from October 2014 to October 2015. During this period, Patton Township provided about \$23,000 in-kind services. It is anticipated that a cash payment of approximately \$21,000 for 2016 will be paid to State College Borough. Over the past few years, Patton Township's leaves accounted for 35% to 40% of the total tonnage hauled to the site.

Communications - Phone: #430.321

This covers services for long distance and cell phones. Some employees of the Department are reimbursed for maintaining personal cell phone service for Township business use, in lieu of using Township owned cell phones.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Communications - Postage: #430.325

This item covers postage for the Public Works Department.

Communications - Radio: #430.327

This item includes expenses for the Public Works radio network.

Auto Allowance: #430.337

This item is for reimbursement of Public Works Department employees' for use of their personal cars when staff cars are not available.

Insurance: #430.351

This item covers the cost of insurance for the road vehicles and Township car, tools, equipment and traffic signals.

Electricity: #430.361 & L433.361

This line item covers the cost of electricity for operating the Township's traffic signals. The budget includes 22 existing signals. Since 100% of these costs are paid with the liquid fuels fund, this expense is reported in Line Item L433.361 of the budget.

Landfill Fees: #430.365

The budget covers the disposal of miscellaneous items picked up from the streets and Township property, and the disposal of excavated materials from Crew roadway and drainage projects.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Equipment Rental: #430.384

This line item covers the rental of a crack sealing machine from State College Borough, sewer cleaning apparatus from University Area Joint Authority for clogged drains, and other specialized equipment as required.

Dues & Subscriptions: #430.420

This account covers the cost of subscriptions, professional association dues and reference materials for the Director, and Assistant Director of Public Works.

Laundry Service: #430.440

This account covers the cost of cleaning the road crewmembers' uniforms. The budget amount is based on the adjusted average of expenses over the previous three years.

Training and Seminars: #430.460

This account provides for road crew attendance at Local Technical Assistance Program (LTAP) seminars, and Department of Community and Economic Development sponsored seminars. The Department's philosophy is that maintaining and/or improving the skills of the crew member benefits the community. This account also provides for the continuing education of the engineers, the mechanic, the department secretary and for hosting two lunch meetings per year of the area's Public Works Directors and Municipal Engineers.

Hiring Expenses: #430.461

This line reflects advertising expenses for filling department positions. Previously these costs were carried under General Government Advertising.

EXPENDITURES: PUBLIC WORKS (CONT'D)

PUBLIC WORKS (CONT'D) #430

Capital Equipment: #430.740

The 2016 expenditures include:

- Power Tilt Grade Bucket \$ 4,500
- Conveyor Bucket for Skid Steer \$ 6,000

Allocation to Road Equipment Restricted Reserve Fund: #430.741 & L430.740

This line item provides the funding for the capital equipment replacement program. The current schedule budgets for the timely replacement of trucks and other equipment. In 2014, \$23,752 was allocated from the General Fund to offset equipment expenses associated for work completed on School Drive. The work completed on School Drive was performed by the Road Crew and invoiced to the State College Area School District. A second allocation of \$6,113 was also made from the General Fund for money received for a DEP Alternate Fuel Grant that offset 50% of the CNG up-fit of the new Public Works Sign Truck. A more detailed discussion of the Road Equipment Replacement Fund is contained on Page B-1 of the Budget. The projected allocation for 2016 is \$47,082.

Allocation to Reserve Fund for Emergency Assistance: #430.750

The 2004 budget established a new Designated Reserve Fund to provide funds for responding to extraordinary weather events and other emergency conditions. In light of the COG establishing an Emergency Management Contingency Fund, the Township has maintained the fund at its current level. Storm cleanup expenses in October 2009 were paid from this fund and Oak Wilt tree removal and injection expenses were paid as needed. Allocations were made in 2012, 2013, and 2014 to replenish the fund. No allocation for 2015 was budgeted. The 2016 budget proposes another allocation to bring the fund back to prior levels.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT #439

Traffic Mitigation Project: #439.430

In 2003 the developer of the Village at Penn State (Toftrees East) agreed to begin contributing \$300 per residential unit for mitigating traffic issues on roadways adjacent to Toftrees Planned Community. The contribution is made to the Township when a zoning permit is issued. In recent years, this contribution fee has been renegotiated to recoupe the private half of the engineering design fees relating to the Waddle Road Interchange Proejct. The contributions by type of development is shown in the table below. Contributions from other developers affecting this process will continue with new properties developed in 2016.

Table 1. Contributions for Each Type of Development

Type of Development	Measurement Unit	Contribution Per Unit
Single Family Detached	Per unit	\$ 603.11
Townhomes/Condo	Per Unit	\$ 322.45
Apartments	Per Unit	\$ 370.22
Hotel	Per PM PH Trip	\$ 597.13
Commercial	Per 1,000 sf	\$ 2,233.28
Office	Per 1,000 sf	\$ 889.73

Note: Beginning December 1, 2012, the above contribution amounts per unit shall increase annually by 3.13%. The annual increase shall continue until January 1, 2022. After this date, the annual increase shall be equal to the current rate of the outstanding balance at that time.

Homestead Farms Road Development: #439.599

The Homestead Farms Corporation Board of Directors came to an agreement with the Patton Township Board of Supervisors to take over three roadways within the Homestead Farms Subdivision. The agreement included the formation of a Neighborhood Improvement District (NID) consisting of the 43 homes located within the subdivision. These homeowners will be assessed fees to cover the costs to bring all the roads up to Township standards. Patton Township received an initial payment from the NID in the amount of \$30,000 and will receive an annual assessment of \$15,168 until 2023. Roadway improvements will be completed every other year until all roadways are at the current standard. Improvements completed in 2014 include the widening at East Shadow Lane, constructing concrete curb and overlay of the roadway. A detailed description can be found in the Reserve Fund narratives. New curbing will be installed on Sandy Ridge Road in 2016.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT (CONT'D) #439

Allocation to Road Resurfacing Reserve Fund: #439.610 & L439.610

In 2001 the Board established a Road Resurfacing and Reconstruction Reserve Fund to finance the Township's annual overlay program. This line authorizes the appropriation from the General Fund to the Reserve Fund. A preliminary work plan for the next year was presented with the Fall Road Condition Report. The final list of streets to be overlaid will be provided following the spring road condition survey. The funding formula established last year remains in effect. See the narrative for the Reserve Fund for details on the funding formula.

In 2014, an allocation of \$8,000 is made from the General Fund for work performed on Meeks Lane. State College Borough Water Authority (SCBWA) agreed to share costs associated with overlaying Meeks Lane from Buffalo Run Road to Heiskel Drive. The condition of this section of roadway became substandard due to a recent water line extension project completed by the SCBWA. The allocation for 2016 includes liquid fuels tax funds totaling \$230,000 (L439.610) and \$45,000 from the General Fund.

Public Works Building Improvements: #439.612

In 2001, the Board funded the Public Works Building Designated Reserve Fund with \$85,500 from the sale of land to PennDOT for I-99. In 2001, the Reserve account funded the construction of a 100' x 26' storage building to replace the building demolished for the satellite fire station. \$15,000 was appropriated in 2005 and 2006 to provide sufficient funds for the construction of a heated wash bay/parking bay. In 2007 an additional \$7,000 was authorized to provide sufficient funds based upon updated cost estimates. In 2013 an allocation of \$32,187 was budgeted for the shop cafeteria expansion.

Waddle Road Traffic Study: #439.613

Various studies have been conducted over the years indicating a need for significant improvements on Waddle Road. The scope of this project will focus on widening Waddle Road to three lanes between Strouse Avenue and Clearview Avenue. The consultant will prepare a conceptual design of the widening project including the sidewalk along Waddle Road. Phase I will also include preliminary construction cost estimates based on the conceptual plan. After review with staff, the consultant will finalize the construction cost estimates. Phase 1 construction is scheduled to begin in 2017.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT (CONT'D) #439

Valley Vista Traffic Study: #439.614

The scope of improvements along the Valley Vista Drive corridor is anticipated to include turning lanes at the following intersections: Devonshire Drive, Sandy Ridge Road, Oakley Drive, Pedestrian Crossing/School Athletic Field, and Amblewood Way. In 2014 Staff collected traffic data in the form of AM and PM turning movement counts and ATR data on all approaches at the above intersections. Patton Township's traffic consultant collected turning movement counts and processed the data collected. A report of recommended improvements was provided as the deliverable for Phase I completed in 2014.

In 2014, Patton Township was awarded a Multi-Model Transportation Grant through the Pennsylvania Department of Transportation. The Grant Application proposes a funding scenario of \$452,207 of local Patton Township funds and \$800,000 grant funds to complete all four intersections. In 2016, \$192,480 is budgeted for engineering and \$1,252,207 budget in 2017 for final design and construction.

County LFT Projects: #439.615

This line item budgets for the Township's material and contracting costs associated with projects involving County Liquid Fuel Tax (LFT) grants. The County grants are made for projects, which are viewed by the County Commissioners as benefiting residents of not just a single municipality, but several municipalities.

Recent examples of LFT projects in Patton Township include the upgrading of Purdue Mountain Road in 1995 and 1996 and the resurfacing of Julian Pike in 2002 and overlay paving on Meeks Lane and Circleville Road in 2005. In 2013, \$20,000 was received for improvements to Vairo Boulevard. No requests will be made for 2016.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT (CONT'D) #439

Douglas Ditch Stabilization Project: #439.617

In 2007, the Public Works Department began a stream bank stabilization project along a drainage ditch located between Douglas Drive and Hillside Avenue. The main function of the project is to eliminate the erosion of the stream bank which occurs during excessive rainfall events. Residential development within Park Forest has encroached upon this drainage system thus causing yard erosion as well as bed and bank erosion. This project not only protects the stream bank from excessive erosion but also maintains property values of homes located along the drainage way by keeping yards from eroding. The project consists of placing a block retaining wall along both sides of the stream bed creating an artificial stream bank that is able to withstand the erosion forces of the stormwater. Currently the proposal is to construct 50 feet of the retaining wall on each side of the ditch each year. This project should be completed in 6 years. An allocation of \$6,000 is included in the budget for 2015 and \$6,000 for 2016. This project was made part of our Chesapeake Bay Pollution Reduction Plan, a mandatory requirement of our MS4 Permit.

Traffic Signal Battery Back-Up: #439.618

This project proposes to provide battery backup at many traffic signal locations within the Township to avoid signal interruption during electrical outages. This program will begin with traffic signals that experience the most vehicular traffic. In 2012, the intersection of Vairo Boulevard and North Atherton Street was completed. In the past this intersection has experienced electrical outages that have lasted a couple of hours. Although the intersection can be controlled by Township Police staff and temporary traffic signals, manpower is usually required elsewhere. The intersections completed in 2013 are as follows:

- Valley Vista Drive and North Atherton Street, Colonnade Boulevard and Waddle Road, Colonnade Boulevard and North Atherton Street, and Waddle Road and Vairo Boulevard.

Following completion of these intersections, Public Works will evaluate the need to similarly equip other intersections. The expenditure of \$49,673 in 2016 is being funded by developer's contribution for traffic mitigation along the North Atherton Corridor.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT (CONT'D) #439

Sign Reflectivity Project: #439.619

The Public Works Department proposed to undergo a project to identify roadway signs that have lost their reflectivity and replace them as necessary. Currently the Public Works Department replaces signs (if needed) when a section of roadway is overlaid. This project would consist of surveying the entire Township to map and collect (GIS) all roadway signs and identify which ones do not meet the reflectivity standards. In past years an expenditure of \$5,000 per year was budgeted for sign replacement. This funding level was established to meet Federal mandates concerning sign reflectivity. Recently this mandate was eliminated. In 2013 the expenditure was reduced to \$3,000 to more closely reflect the costs with this effort. Also this mandate has been recently revised to indicate that our program must continue but a deadline date is no longer in place. The initial focus will be on regulatory signage.

Public Works Radio Replacement Project: #439.620

In 2007, the Centre County Commissioners contracted a consultant to assess the County's current public safety communications systems (which police and public works use) and to make recommendations for upgrades and improvements. Numerous recommendations were made, some were relating to coverage and interoperability issues. The current system is nearing the end of its life cycle. The Centre County Commissioners have hired a project manager to oversee the implementation of a system upgrade. In 2013, the Public Works Department purchased 12 portable units compatible with the new County system. No allocation is planned for 2016.

General Fund Allocation to Waddle Road Interchange: #439.622

This line includes consultant costs for government relations and project management to assist with acquiring funds for construction of the Waddle Road Interchange Improvement Project. The allocation goes to the Toftrees Traffic Mitigation Project Reserve Fund.

Waddle Road Interchange Loan Proceeds: #439.623

This line includes costs for engineering and pre-construction services for the Waddle Road Interchange Improvement Project. The work is funded through a line of credit from a local bank, with the loan to be amortized over 25 years. It is anticipated that the engineering work will take at least two years to complete.

EXPENDITURES: PUBLIC WORKS (CONT'D)

CONSTRUCTION CONTRACT (CONT'D) #439

Bikeway Development: #439.624

This line includes funding for the construction of the proposed Circleville Bikeway from Circleville Park to Graysdale. A Transportation Alternatives Grant has been secured to fund construction in 2015.

North Atherton Street Traffic Signal Upgrade: #439.625

The Township has been awarded a PennDOT grant to make pedestrian improvements to the traffic signal at Atherton Street and the North Atherton Place (Walmart) driveway. Work would include handicapped accessible sidewalk ramps and latest technology pedestrian signals (walk/don't walk) with a visible countdown.

Adaptive Signaling on Valley Vista Drive: #439.628

To further reduce traffic congestion and delays along the Valley Vista Drive corridor, this fund has been established to generate the funds to install adaptive signaling control at each of the four intersections along the corridor. It is anticipated that the project will be completed in 2016 at a cost of \$183,000.

Liquid Fuels Tax Related Expenditures: #L430.740

This is the transfer of liquid fuels revenue received from the Commonwealth to the reserve fund for approved expenditures on roads, salt, equipment maintenance, and allowable capital expenditures.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: PUBLIC WORKS					
430 .122	Salary-Road Super.	64,706	66,631	67,178	68,699	70,760
.123	Assistant Road Superintendent	14,559	55,568	53,064	56,107	57,790
.130	Public Works Director-Salary	67,000	73,381	73,381	75,148	77,402
.140	Secretary - Salary	19,387	20,966	20,966	21,610	22,258
.142	Engineering Technician	42,642	43,909	43,907	45,258	46,616
.145	Public Works Project Manager	35,848	35,037	35,037	35,759	36,832
.143	Salaries of Road Crew	355,972	415,188	408,263	406,701	418,902
.150	Employee Benefits	396,044	420,685	429,843	480,239	494,646
.182	Longevity	9,750	10,275	10,463	8,963	9,231
.181	Secretary Overtime/temp	0	250	250	250	258
.183	Engineering Technician Overtime	0	250	0	0	0
.184	Road Crew Overtime	10,386	17,451	24,000	18,000	18,540
.210	Office Supplies/Minor Equipment	907	2,126	700	1,585	1,633
.231	Vehicle Fuel - Gasoline	10,069	10,500	7,751	9,000	9,270
.232	Vehicle Fuel - Diesel	57,252	56,058	43,917	45,600	46,968
.234	Oil. Lub & Other Oper. Ex.	2,082	2,344	3,000	2,361	2,432
.238	Clothing	6,772	6,580	4,536	6,768	6,971
.245	Road Salt	23,152	28,000	28,000	36,525	37,621
.246	Operating Supplies	7,985	11,417	11,000	11,000	11,330
.247	Repair & Maint. Supplies (ROAD WORK)	19,930	23,911	24,000	23,974	24,693
.250	Repair & Maintenance of Vehicles	14,579	16,600	16,000	15,338	15,798
.260	Small Tools/Minor Equipment	12,850	10,550	12,381	5,550	5,717
.310	Line Painting	10,083	15,000	15,300	15,600	16,068
.313	Prof. Services - General	10,962	7,800	5,000	7,800	8,034
.316	Other Svcs.-Road Work	17,212	14,911	19,000	14,843	15,288
.317	Leaf Composting	8,530	21,000	10,000	21,000	21,630
.321	Communications-Phone	4,657	6,550	6,600	5,532	5,698
.325	Communications-Postage	1,351	1,204	1,685	776	799
.327	Communications-Radio	10	3,000	3,000	500	515
.337	Auto Allowance-Public Works	0	100	0	100	103
.351	Property Insurance	10,269	11,239	13,917	14,335	14,765

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: PUBLIC WORKS (CONT'D)					
.365	Landfill Fees	70	100	500	500	515
.384	Equipment Rental	3,011	6,000	3,100	6,000	6,180
.420	Dues & Subscriptions - Public Works	2,709	3,400	3,400	3,500	3,605
.440	Laundry Service	8,787	8,150	7,949	7,997	8,237
.460	Training & Seminars	5,746	6,500	3,500	6,000	6,180
.461	Hiring Expense	2,527	2,000	888	2,000	2,060
.740	Machines/Equip. Major/Cap.	0	17,500	12,000	10,500	10,815
.741	Allocation to Equip Replacement Reserve Fund	0	46,002	46,002	47,082	48,494
	Reimbursement to Equip Fund for School Drive	0	0		0	0
	Allocation to Traffic Light Replacement Fund	0	0		20,000	22,000
	Recycling Grant for Loader	0	47,750	47,750	0	0
.750	Reserve for Emergency Assistance	0	0	0	5,000	0
	TOTAL PUBLIC WORKS	1,257,795	1,545,883	1,517,227	1,563,500	1,606,654
	CONSTRUCTION CONTRACT					
439 .430	Allocation to Toftrees Traffic Mitigation Proj.	0	19,610	24,923	34,308	19,844
.599	Homestead Farms Road Development	55,713	14,871	14,871	14,871	14,871
.610	Allocation to Road Resurfacing Reserve Fund	3,862	34,207	34,207	45,000	60,000
	SCBWA Contribution to Road Resurfacing	8,000	0	0	0	0
.613	Waddle Road Traffic Study/Widening	0	45,000	4,000	0	450,000
.614	Valley Vista Traffic Study	32,253	192,480	0	192,480	1,059,727
.615	County LFT Expenses	0	0	0	0	20,000
.617	Douglas Ditch Stabilization Project	6,597	6,000	6,000	6,000	6,000
.618	Traffic Signal Battery Back-up	0	18,000	0	49,673	0
.619	Sign Reflectivity Project	2,792	3,000	3,000	3,000	3,000
.620	PW Radio Replacement Project	246	0	0	0	0
.623	Waddle Rd Interchange Loan Proceeds	225,344	1,852,363	773,355	960,000	480,000
.622	GF Allocation to Waddle Interch.	27,014	0	2,000	0	0
.624	Bikeway Development	75,309	361,498	458,776	0	250,000
.625	North Atherton Traffic Signal Upgrade	0	50,000	50,000	0	0
.628	Adaptive Signaling on Valley Vista Drive	0	143,000	6,000	183,000	0
	TOTAL CONSTRUCTION CONTRACT	437,129	2,740,029	1,377,132	1,488,332	2,363,442

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
L430 .740	LIQUID FUELS TAX RELATED EXPENDITURES					
	Allocation to Liquid Fuels Fund	347,051	370,021	370,021	434,836	447,881
	TOTAL LIQUID FUELS RELATED PROJECT	347,051	370,021	370,021	434,836	447,881
	TOTAL PUBLIC WORKS	2,041,975	4,655,933	3,264,380	3,486,668	4,417,977
	* Liquid Fuels Tax related expenditures previously combined in Public Works line items are now budgeted separately					

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION

PLANNING AND ZONING: #414

About 45% of the Township's Planning and Zoning expenditures are for planning services provided by the Centre Region Planning Agency (CRPA). Full-time local planning service from the CRPA was initiated in 2001 and was reduced to half-time in 2014. The remaining appropriations for Planning and Zoning are for Public Works Department personnel (engineer, zoning officer, and secretary) who provide planning services.

Zoning Hearing Board: #414.100

The expenditures in this category include legal advertising costs for ZHB hearings and the legal costs for written decisions prepared by the Board's Solicitor. The costs incurred in a given year are highly variable and depend on the number and complexity of matters brought before the Board. The proposed amount carries forward the estimate for four hearings.

Public Works Director – Salary: #414.130

Since 2000, 20% of the Director's salary and benefits are assigned to Planning and Zoning. The Public Works Director coordinates activities within the department and provides staff assistance to the Planning Commission.

Zoning Officer/Open Space Property Manager - Salary: #414.131

The Zoning Officer administers the zoning ordinance and sign ordinance, issues permits, conducts inspections, assists in the preparation of Planning Commission agendas, and provides staff assistance to the Zoning Hearing Board. In 2007, additional responsibilities were placed upon this position. Beginning January 2007, the Zoning Officer became responsible for managing the conservation easement attached to the Haugh property. This includes working with the Soil Conservation office, USDA, forester, wetland consultant and a third party monitor that will ensure the conservation easement is being followed. A portion of his salary is assigned to the Open Space Fund. The Zoning Officer's salary is based on the Township's Compensation Plan.

Secretary - Salary: #414.140

This line item provides for the fifty percent share of the Public Works Secretary assigned to the Zoning Officer and providing support for the Planning Commission and Planning Staff.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PLANNING AND ZONING: #414 (CONT'D)

Employee Benefits: 414.150

This line item provides for the employee benefits for personnel assigned to the Zoning Office (Zoning Officer and a portion of the Secretary and Public Works Director). In 2016, a portion of the benefits for these positions will be charged here.

Longevity: 414.182

Longevity is provided in accordance with the schedule published in the Employee Handbook.

Secretary Wages - Overtime: 414.183

This line item provides for a share of the Public Works Department Secretary's overtime relating to planning and zoning activities. Attendance at 23 meetings is budgeted.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PLANNING AND ZONING: #414 (CONT'D)

Contributions to CRPA/CCMPO: #414.530

The Centre Regional Planning Agency provides the planning staff for the Township. In 2004, the Metropolitan Planning Organization became a countywide MPO administered by the CRPA. The Centre County MPO (CCMPO) provides transportation planning for Patton Township. The CRPA/CCMPO is part of the Centre Region COG and its programs are fully described in the COG budget.

The amount budgeted for 2016 is the sum of the following amounts in the Tentative COG Budget:

- Planning \$110,875
- CCMPO \$ 22,331
- \$133,206

Contributions for Water Quality Monitoring: #414.531

This account represents the Township's share of an inter-municipal program to monitor water quality in the Spring Creek Watershed including, in particular, Buffalo Run through Patton Township. The work is performed under contract by the Clearwater Conservancy.

The data from the monitoring provides a base line for determining the impact of growth, development, and other activities on water quality in our community. It will also help to identify when remedial action might need to be considered.

Machine/Major Equipment/Capital: #414.740

This account includes major non-consumable items to be used in planning and zoning.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PARKS AND RECREATION: #454

Programming, operation and routine maintenance of the Township parks is performed by the Centre Region Park Department, part of the Centre Region COG. Park improvements and major maintenance projects are the responsibility of the Township. In 1998 the Board adopted a permanent funding millage of 0.7 mills to provide funds for the completion of the Circleville Park (formerly the Haugh Tract) and Bernel Road Park (formerly the Crust Farm) to pay for the annual debt payments for these two properties, and to fund capital improvements to our other parks. See line item 454.610 and the Designated Reserve Fund - Parkland Acquisition and Improvement for more information. In 2004 the Board retired the former “matching funds” policy and endorsed the scheduled improvements as detailed in the 10-year Park Plan.

In 2007, the master plans for the last phase of Circleville Park and for the development of Bernel Road Park were presented to the Recreation Advisory Committee (RAC). The cost for Circleville was estimated to be approximately \$1.4 million and Bernel Road is expected to cost about \$5.8 million. Circleville Park was completed in 2010. Phase I of Bernel Road Park was completed in 2012. With development of the 2010-2019 Parks Plan, the RAC revisited the issue of financing park development. With attractive circumstances for borrowing, design, and construction, the RAC recommended financing through bonds the initial phases of Bernel Road Park.

Parks Project Manager Salary and Benefits: #454.145

In 2003 the Township hired a Parks Project Manager to supervise the work necessary to get park improvements underway. In 2005, the job became a permanent half-time staff position in recognition of the scope of duties the Project Manager had undertaken. The Project Manager is the primary staff for the Recreation Advisory Committee, works extensively on grant applications for Township Park, provides design for improvements to small park projects, and completed an update to the Township Park Plan – our policy statement and guidance tool for future park improvements. In 2007, this position was increased from 20 to 30 hours.

In the intervening years, two new parks, Circleville and Bernel Road, have been designed and constructed as well as improvements made in smaller parks. As a result of the extensive work done and the lack of availability of new funds, the parks program is in maintenance mode until funds are accumulated for construction in Gray’s Woods Park. Thus, this position has been altered to become Public Works Project Manager. Two-thirds of salary and benefits will be allocated to Public Works and one-third will be allocated to parks. No personnel costs will be allocated to the Park Fund.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PARKS AND RECREATION (CONT'D): #454

For 2011 and 2012 all local park expenditures have been paid from the Park Fund to help offset tax increases. This meant less funding for park development and improvements. In 2013, 10% of the Parks Project Managers salary and benefits were allocated to the General Fund. In 2014, this position was incorporated into a Public Works Project Management position. One-third of the 30 hour per week employee's salary and benefits are charged to Parks and two-thirds is charged to Public Works.

Centre Region Pools - Capital: #454.529

This amount is Patton Township's share of the capital expenses for the Park Forest and Welch Pools renewal. This program is part of the COG budget. In 2008, the COG Finance Committee and the COG Recreation Authority secured a 20 year, \$7.9 million drawdown bank loan at 3.95%.

In 2012, the General Forum approved a refinancing of this loan which reduced payments to \$74,011 in 2013 and are being maintained at this approximate level through transfers of excess funds from the Pools Operating budget, which at this time is self-sustaining. For 2015, the pools operating fund could no longer afford to offset the debt costs for pools, therefore debt service costs to municipalities increased. Patton Township's share for 2016 will be \$98,221.

Centre Region Parks and Recreation - Operating Program: #454.531

This line item covers the cost of Patton Township's share of the Centre Region Parks and Recreation Department programs including the Regional Nature Center. The activities of the department are spelled out in great detail in the COG budget. The increase in this line item represents the inclusion of operating costs for the newly acquired Hess Field Softball Complex and cost of additional Township parks being added to the regional park maintenance program.

Centre Region Parks and Recreation – Capital Equipment:

In 2014, COG separated their capital budget from the operating budget. This line item reflects allocations to replace capital equipment for parks operations and maintenance.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PARKS AND RECREATION (CONT'D): #454

Contribution to Regional Parks: #454.532

In 2005, COG established a fund to provide for future planning and development of the regional parks (Oakhall and Whitehall Road properties). The initial funding level was set at 1/10th of a mill of real estate tax. During 2006, the participating municipalities adopted the Articles of Agreement associated with regional parks which set the parameters for ownership, development of and contributions to regional parks. The contribution level beginning in 2007 was set at 2/10th of a mill of real estate tax. Master plans have been developed for the two regional parks.

The participating municipalities agreed to purchase Hess Field and the transaction was completed in September 2010. By spring 2011, safety improvements were made to the field to prepare them for the 2011 season. The funds from the COG Regional Parks Capital account were used to pay for the acquisition and will be used for necessary repairs.

A drawdown loan for \$7.5 million was closed on June 1, 2011 to fund development at Oak Hall and Whitehall Road Parks. In 2012, Oakhall Park was bid but came in \$500,000 over budget. The decision, which cost an additional \$30,000, was to rebid the project with clear alternates to ensure the park would stay within budget. Construction on Phase 1 of Oak Hall is complete however construction at Whitehall Road Park is on hold until the adjoining property completes necessary infrastructure improvements to allow for construction at the park. Because of the continued delays, the loan again had to be modified.

For 2014, the debt service cost was \$114,494 plus an additional \$16,211 for temporary facilities cost. Because of the further delay in construction at Whitehall Road Park, the maintenance facility cannot be built. For 2016, there is \$88,738 for debt service costs for the parks.

EXPENDITURES: COMMUNITY SERVICES: PLANNING AND ZONING, PARKS AND RECREATION (CONT'D)

PARKS AND RECREATION (CONT'D): #454

Allocation to Patton Township Park Fund (Tax Revenue): #454.610

This account provides for the transfer of the dedicated 0.7 mills of real estate tax to the Park Acquisition and Improvement Fund (see Reserve Funds) and any private contributions. No private contributions are anticipated. In 2010 the Township borrowed \$2.105 million to fund construction at Bernel Road Park. These funds are used mainly to pay debt service costs.

Contribution to Community Fireworks: #458.615

In 2003, Centre Region COG discontinued its program of contributing to the region's fireworks display on July 4th. The decision to contribute was left up to individual municipalities. The Township has allocated \$1,000 for this purpose.

Contribution to Spring Creek Watershed: #454.616

The Spring Creek Watershed Commission was established through an intergovernmental agreement of 11 of the 14 municipalities in the watershed. The amount of this line item represents contributions for administrative expenses for 2015 and 2016.

Contribution to S&A Field: #454.617

In 2013, Ferguson Township requested Centre Region municipalities contribute to improvements at the State College Teener Field. These funds were encumbered in 2014 and released in 2015.

Senior Citizens Center: #458.530

Patton Township pays a share of the COG program for senior citizens based on the share of the service used by Township residents.

Community Gardens: #459.100

In response to residents' interest in community garden plots, the Township provided space, equipment and water at the Haugh Family Farm Open Space Preserve beginning in 2011. The program has been very successful. In 2011, a number of start up costs were incurred for such items as a yard hydrant, fencing, a shed and tools. For 2012 and beyond, maintenance costs should be minimal. An additional 20 plots were available for 2012. A fee of \$40 per plot plus a security deposit are required to rent a plot.

EXPENDITURES: COMMUNITY SERVICES: OTHER

FIRE PROTECTION: #411

Hydrant Service: #411.363

This line item provides for the transfer of the fire hydrant assessments received during the year to the Fire Hydrant Reserve Fund. The costs of fire hydrants are paid from the reserve fund.

Alpha Fire Company-Operating: #411.531

Fire protection is provided to Patton Township by the Alpha Fire Company. The main station is located in downtown State College. The satellite station built by Patton Township opened in early 2001. The Alpha Fire Company budget is part of the Centre Region COG Budget.

Alpha Fire Company-Capital: #411.532

This allocation goes towards replacement of major equipment and property improvements as detailed in the COG budget.

Act 205 Volunteer Fire Relief Allocation: #411.533

Each non-Pennsylvania (foreign) insurance company that writes a fire insurance policy in the Commonwealth pays a tax to the State. These funds are distributed to municipalities based upon population and property values and must be turned over to the volunteer fire company servicing the area. The funds must be used by the fire company for the health and welfare of the company members; the funds may not be used for operations or capital expenditures. These costs are matched by the revenue source (355.130). The proposed amount is based on the current year's experience.

EXPENDITURES: COMMUNITY SERVICES: OTHER (CONT'D)

HEALTH AND WELFARE: #421

Professional Services - SEO: #421.316

The Township is required by State Law to have a qualified Sewage Enforcement Officer. The incumbent, Ralph Houck, is retired and was replaced by Mary Kay Lupton on January 1, 2015. Her responsibility is to inspect all subdivisions and lots when on-lot sewage disposal systems are requested. In the past, up to half of the costs of this service were reimbursed by the State and the remainder by fees charged to developers/property owners. In 2009, the State reduced, without notice, reimbursements for this service as part of their budget cuts. In light of a reduced reimbursement and because of an increase in the SEO rates the Township began to pay in 2011, the permit fees have been increased to cover municipal costs. The State no longer reimburses the Township for any costs. The rates are set to cover the costs of service.

Contract Services - Health Officer: #421.452

This line item covers the costs of using the State College Borough Health Officer for health inspections of restaurants and other facilities in the Township, as required. (See offsetting revenue in # 321.200)

Contract Services - Gypsy Moth Suppression: #421.453

Centre County has established a program for coordinating inspection and spraying for gypsy moth caterpillar suppression for the spring of 2008. A small amount has been budgeted for 2016 and 2017.

Contributions to Centre Home Care: #421.530

Centre Home Care provides home care services for the elderly and disabled. An appropriation of \$1,800 has been approved in prior years. No appropriation is proposed for 2015 and beyond.

Centre Region Emergency Management: #421.531

This amount represents the Township's share of the Centre Region's Emergency Management Program. This program is described in the COG budget.

COG Emergency Management Contingency Fund: #421.531A

The COG Budget proposes continuing a contingency fund for responding to disasters and emergencies. This amount reflects the Township's obligation. No funds are required for 2016 according to the COG budget.

EXPENDITURES: COMMUNITY SERVICES: OTHER (CONT'D)

HEALTH AND WELFARE: #421 (CONT'D)

Pandemic Flu and Shelter Supplies: #421.536

In conjunction with the Regional Emergency Management Plan, supplies such as gloves, masks, and antibacterial soap were purchased and stockpiled for use by Patton Township employees to enable continuity of governance during a widespread epidemic. In 2007 approximately \$1,000 was used to purchase cots and blankets for use if sheltering is required at the Township building (for Staff and family) or at Park Forest Elementary School (Community shelter). No funds are being requested at this time.

Contribution to Community Housing: #421.537

This line item represents a \$250 contribution annually to Affordable Housing Coalition for sponsorship of their annual summit meeting.

Contribution to First Night: #421.538

This represents an annual contribution to the First Night Celebration in State College.

Contribution to Regional Economic Development: #421.539

The Township has been working with the County, other municipalities, Penn State University, and the Chamber of Business and Industry of Centre County (CBICC) to expand economic development activities. These activities include fostering new companies through the CBICC's incubator, working to retain and grow existing companies in the county, and developing programs to attract new employers to our communities.

In 2012 a \$20,000 contribution to the CBICC was approved to assist with creating new jobs; these funds are encumbered and may be used for future incentive programs to encourage job creation in Centre County. In 2013 the CBICC proposed developing an Economic Development Partnership to be funded by private businesses, institutions, the County government and municipalities in Centre County. Patton Township has made two annual \$15,000 contributions to the Partnership. A \$17,500 contribution is proposed for 2016 and a \$20,000 contribution is forecasted for 2017.

EXPENDITURES: COMMUNITY SERVICES: OTHER (CONT'D)

CABLE TV - C-NET: #442

Contributions - C-NET: #442.411

C-NET is the Centre Region's interactive information services network which functions as an access hub to connect the public, government, educational, and social agencies to facilitate communication within and beyond Centre County. The Township's share of C-NET is based on a "use" formula adopted by C-NET.

TRANSIT SYSTEM - CATA: #447

The transit system serving Patton Township is the Centre Area Transportation Authority (CATA). These line items are Patton Township's share of the annual costs of operating the transit system. CATA works on a July to June Fiscal Year.

Contributions - CATA Capital: #447.531

This line item represents capital contributions to CATA for equipment.

Contributions - CATA Operating: #447.532

The Township's contributions to the CATA operating costs are determined by the annual CATA fiscal year budget.

LIBRARIES #456

Schlow Library: #456.531

The Township pays a share of the costs of Schlow Library based on the use of the Library by Township residents. This budget is part of the Centre Region COG budget.

STREETLIGHTS: #434

Electricity: #434.361

The line item provides for the transfer of streetlight assessments (#301.930) received during the year to the Streetlight Reserve Fund. The cost of electricity to power streetlights and necessary repairs are paid from the reserve fund. This assessment is 35 cents per front foot.

EXPENDITURES: COMMUNITY SERVICES: OTHER (CONT'D)

OPEN SPACE LOAN PROCEEDS #435

Open Space Loan Proceeds: #435.100

On November 4, 2014 the voters approved a referendum authorizing the borrowing of \$3.5 million to acquire and preserve additional open space lands in the Township. To fund this acquisition a borrowing (bond or loan) will be made in 2016. The type of borrowing will depend on the borrowing environment at the time. A request for proposals for a 20 year bank loan will be made but having a bond issue will also be contemplated. These funds will be transferred to the Open Space Preservation Reserve Fund.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: COMMUNITY SERVICES - PLANNING & ZONING, PARKS & RECREATION					
414	<u>PLANNING & ZONING</u>					
.100	Zoning Hearing Board	692	2,000	0	2,000	2,000
.130	Public Works Director-Salary	16,938	18,345	18,345	18,787	19,351
.131	Zoning Officer-Salary	51,988	53,766	53,763	55,608	57,276
.140	Secretary - Salary	19,387	20,966	20,966	21,610	22,258
.150	Employee Benefits	46,736	52,967	53,377	59,574	62,553
.182	Longevity	1,350	1,425	1,100	1,100	1,500
.183	Secretary Wages - Overtime	466	1,400	329	1,400	1,400
.210	Office Supplies	13	0	126	0	0
.250	Repair and Maintenance of Vehicles	244	0	0	0	0
.321	Communications - Phone	346	0	412	0	0
.351	Auto Insurance	729	0	996	1,026	1,077
.420	Subscriptions, Dues	168	0	224	0	0
.530	Contributions to CRPA/MPO	161,486	148,459	148,459	133,206	137,868
.531	Contributions to Water Quality Monitoring Project	5,105	5,105	5,105	5,105	5,150
.740	Capital Equipment	1,641	0	0	0	0
	TOTAL PLANNING & ZONING	307,288	304,433	303,202	299,416	310,433

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: COMMUNITY SERVICES - PLANNING & ZONING, PARKS & RECREATION (CONT'D)					
454	<u>PARKS AND RECREATION</u>					
.145	Parks Project Manager Salary and Benefits	19,805	20,081	20,964	21,419	22,554
.529	Centre Region Pools-Capital	76,100	98,359	98,359	98,221	101,659
.531	Centre Region Park & Rec. Program -Operating	349,784	315,010	356,524	334,886	346,607
	Centre Region Park & Rec. - Capital	0	41,514	41,514	40,867	42,297
.532	Contribution to Regional Parks	130,705	104,130	104,130	88,738	91,844
.532	Contribution to Parks Mtce Facility Debt	0	16,269	0	0	0
.610	Allocation to PT Park Fund (Tax Revenue)	309,272	322,183	313,916	328,533	335,010
.615	Contribution to Community Fire Works	1,000	1,000	1,000	1,000	1,000
.616	Contribution to Spring Creek Watershed	498	498	498	498	750
.617	Contribution to S&A Field	0	0	10,000	0	0
458 .530	Centre Region Senior Citizen Center	15,290	15,041	15,041	17,306	17,912
459 .100	Community Gardens	538	750	612	650	700
	TOTAL PARKS AND RECREATION	902,992	934,835	962,558	932,118	960,333
	TOTAL COMMUNITY SERVICES - PLANNING & ZONING, PARKS & RECREATION	1,210,280	1,239,268	1,265,760	1,231,534	1,270,766

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: COMMUNITY SERVICES - OTHER					
411	<u>FIRE PROTECTION</u>					
.363	Transfer to Hydrant Fund	22,730	23,775	22,784	23,240	23,472
.531	Alpha Fire Company-Operating	186,289	213,663	213,663	218,671	226,324
.532	Alpha Fire Company-Capital	64,217	64,217	64,217	66,626	68,958
.533	Act 205 Volunteer Fire Relief Allocation	119,573	119,573	116,232	116,232	119,138
	TOTAL FIRE PROTECTION	392,809	421,228	416,896	424,769	437,892
421	<u>HEALTH & WELFARE</u>					
.316	Prof. Services-SEO	5,939	7,874	9,392	9,674	8,448
.452	Contracted Svcs./Health Officer	6,261	5,521	7,326	7,546	6,340
.453	Contracted Svcs./Gypsy Moth	0	0	0	2,000	2,500
.530	Contributions to CHC	1,800	1,800	0	0	0
.531	Centre Region Emergency Management	24,479	24,371	24,371	25,102	26,106
.531A	COG Emergency Mgt Contingency Fund	0	0	0	0	0
.536	Pandemic Flu /Emergency Shelter Supplies	0	0	0	0	0
.537	Contribution to Community Housing	0	250	250	250	250
.538	Contribution to First Night	550	550	550	550	550
.539	Contribution to Regional Econ. Development	15,000	15,000	15,000	17,500	20,000
	TOTAL HEALTH & WELFARE	54,029	55,366	56,889	62,622	64,194

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: COMMUNITY SERVICES - OTHER (CONT'D)					
442 .411	<u>CABLE TV - C-NET</u> C-NET	32,743	32,535	32,504	32,215	32,859
	TOTAL CABLE TV - C-NET	32,743	32,535	32,504	32,215	32,859
447 .531 .532	<u>TRANSIT</u> CATA Capital CATA Operating	13,039 75,832	14,343 90,998	14,738 75,981	17,456 74,158	18,329 77,866
	TOTAL TRANSIT	88,871	105,341	90,719	91,614	96,195
456 .531	<u>LIBRARY</u> Schlow Library	249,261	253,048	253,048	261,409	270,558
	TOTAL LIBRARY	249,261	253,048	253,048	261,409	270,558

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
434 .361	EXPENDITURES: COMMUNITY SERVICES - OTHER (CONT'D)					
	<u>STREETLIGHTS</u>					
	Transfer to Streetlight Fund	43,162	43,473	42,680	42,765	42,851
	TOTAL STREETLIGHTS	43,162	43,473	42,680	42,765	42,851
	<u>OPEN SPACE LOAN PROCEEDS</u>					
	Transfer loan proceeds to reserve fund	0	3,500,000	0	3,500,000	0
	TOTAL OPEN SPACE LOAN PROCEEDS	0	3,500,000	0	3,500,000	0
	TOTAL COMMUNITY SERVICES - OTHER	860,874	4,410,991	892,736	4,415,394	944,549
TOTAL COMMUNITY SERVICES	2,071,154	5,650,259	2,158,496	5,646,928	2,215,315	

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

EXPENDITURES: DEBT SERVICE

DEBT SERVICE: # 470

Patton Township finances major capital projects through the issuance of municipal bonds or other long-term borrowing. In 2002, the Township consolidated its existing debt and secured additional financing for capital needs. In 2003, the Township issued voter-approved bonds for \$2.5 million to be used for open space acquisition. The referendum was presented in the fall of 2001 the information provided to the voters stated that a \$2.5 million bond issue would cost 1.0 mill of Real Estate Taxes per year for 20 years. Because of low interest rates available at the time of issue, the amortization period was shortened to 11.5 years.

In 2006 the Township closed the deal to acquire the 466 acre Haugh Family Farm located on Circleville Road around Circleville Park. The cost of this acquisition, which was a very generous gift from Ms. Helen Haugh and Mr. Hubert Haugh, was \$2.5 million. The property was appraised at \$8 million. For more details on the acquisition, refer to the Open Space Preservation Reserve Fund.

Over the years the value of one mill of Real Estate Tax has grown resulting in more tax revenue than needed to cover the debt service costs. In 2007 the millage collected for Open Space Preservation was reduced from 1.0 mill to 0.9 mills and to 0.7 mills in 2009. This provides adequate funds to cover debt costs. Staff has analyzed the possibility of retiring this debt early but recommended that the millage rate be lowered in 2009; shifting the millage to general operation. This helped to minimize the overall tax increase. In 2010, the millage was reduced to 0.3 mills and continues at that rate. For 2013, only 0.1 mill of tax was required to adequately fund the remaining debt service payments through 2014 when the debt is schedule to be extinguished.

Once again the Township was able to take advantage of historically low interest rates to refinance all outstanding debt as well as borrow new money for work at Bernel Road Park. The refinancing saved \$441,222 over the remaining life of the 2003 debt and the 2005 debt. These savings which are reflected in the general fund as well as the open space fund, have helped considerably in keeping significant tax increases at bay for the next several years.

EXPENDITURES: DEBT SERVICE (CONT'D)

DEBT SERVICE (CONT'D): # 470

2003 BOND ISSUE

Allocation to Open Space Preservation Fund: #472.110

Until 2006 this line item represented 1.0 mill of Real Estate Tax plus the prior year collections for the payment of debt incurred for the acquisition of land and/or easements for open space preservation. With the 2006 acquisition of property that resulted in minimal closing and transaction fees because it was a private sale, there were surplus funds in the Open Space Preservation fund. As noted above, 1.0 mill of tax revenue is more than sufficient to cover debt service costs and in 2007 the tax rate associated with Open Space Preservation was lowered to 0.9 mills. In 2009 the allocation of millage was decreased by an additional 2/10ths of a mill to 7/10ths of a mill with the reduction in this rate being shifted to general millage to minimize the necessary increase in the tax rate. The 2010 budget proposed a further decrease to 4/10th of a mill, allowing 3/10th to be shifted to general purposes with the savings from refinancing, the rate has dropped to 3/10ths of a mill. For 2013, only 1/10th of a mill of tax was required for debt service. The remaining 2/10ths of a mill was shifted to general purposes; eliminating the need for a tax increase. These funds, combined with previously collected Open Space Tax revenue will allow for the debt to be extinguished on schedule in 2014.

See Designated Reserve Fund: Open Space Preservation for details. This debt was not refinanced in 2005.

2010 Debt Refinancing: #472.111

In 2010 the Township's financial advisor, Concord Public Finance, told the Township that it might be financially advantageous to refinance existing debt. Because of historically low interest rates, the Township also determined it would be worthwhile to borrow additional funds to cover the next decade's worth of construction at Bernel Road Park rather than continue the pay-as-you-go model. This borrowing would also allow the Township to take advantage of less expensive design and construction costs. On September 8, 2010, the bonds were sold via electronic auction.

\$4,640,000 remaining in the 2005 bonds and \$1,155,000 remaining on the open space bonds were refinanced. An

EXPENDITURES: DEBT SERVICE (CONT'D)

DEBT SERVICE (CONT'D): # 470

2010 Debt Refinancing (CONT'D): #472.111

additional \$2,105,000 was borrowed for 10 years for Bernel Road Park for a total 2010 issue of \$8,092,000 including closing costs. Debt service payments are based on the amortization schedule establish at auction.

2011 General Obligation Note: #472.121

The Township issued a request for proposals for a \$3 million, 25 year bank loan to pay for engineering and preconstruction costs associated with the Waddle Road Interchange Project. The loan was awarded to Kish Bank which provided a loan with drawdown access over the first 30 months, interest only payments during the drawdown period, a fixed rate of 3.13% for the first 10 years and then a variable rate with a 6% cap for the remaining period.

This project has not occurred at the pace anticipated because of additional traffic studies requested by PennDOT. Money has not been drawn at the expected pace therefore, debt payments are lower than budget. By the end of 2014, principal and interest payments will be required.

In the spring of 2014, the Township and Kish Bank agreed to extend the drawdown period of the loan for one year to June 2015 because the project had been going more slowly than originally anticipated, mainly because of PennDOT's review process. In the spring of 2015, the Township and Kish Bank agreed to an additional extension of the drawdown period of the loan for two years to June 2017. The pace of the project has now picked up and all funds necessary for the project are expect to be expended by 2017.

EXPENDITURES: DEBT SERVICE (CONT'D)

DEBT SERVICE (CONT'D): # 470

Open Space Preservation Phase 2

The referendum question included on the November 4, 2014 ballot passed with 63% support. The question asked voters if they support the expansion of the Open Space Preservation program. The question reads: "Shall debt in the sum of 3,500,000 dollars for the purpose of financing acquisition of development rights, conservation easements, and land for the preservation of open space be authorized to be incurred as debt approved by the electors?"

To fund this acquisition a borrowing (bond or loan) will be made in 2016. The debt will be paid through a dedicated real estate millage estimated to be 6/10ths of a mill levied in 2016. This millage has been added to the proposed budget but must be approved in the budget presented in November 2015.

Capital Project Line of Credit

The Capital Improvement Plan and this Budget propose a number of capital projects in over the next several years (Circleville Bikeway, Valley Vista Left Turn lanes). Although some grant funding is available, these awards are on a reimbursement basis. The Township may need to establish a line of credit to accommodate the short-term cash flows associated with these projects. It is assumed, in the current low interest rate environment that interest payments would be approximately \$20,000 per year for the next several years.

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	EXPENDITURES: DEBT SERVICE					
470	<u>DEBT SERVICE</u>					
	<u>2003 Bond Issue</u>					
472 .110	Allocation to Open Space Preservation Fund	150,624	0	0	0	0
	<u>2010 Debt Refinancing</u>					
472 .111	Principal and Interest	407,171	400,495	400,495	409,545	413,345
	<u>2011 General Obligation Note</u>					
472 .121	Principal and Interest	115,618	186,197	127,525	176,685	182,945
472 .130	Allocation to Open Space Preservation Phase 2	0	0	0	244,805	244,805
472 .132	Capital Project Line of Credit	0	20,000	0	20,000	20,000
	TOTAL DEBT SERVICE	673,414	606,692	528,020	851,035	861,095

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

TOTALS/CASH BALANCE

This section illustrates the Total Revenues, Total Expenditures and the use of the Cash Balance each year.

Cash balance is the amount remaining in the General Fund account at the end of the year. It is the cumulative difference between revenues and expenditures. A healthy balance provides the needed cash to pay bills early in the year before tax revenues are received. It is also important to have a cash balance to cover unexpected expenditures and to ensure a solid bond rating. The overall revenue projection for year-end 2015 is that revenues will be approximately 34% below the budgeted amount mainly because the drawdown on the Waddle Road Bridge loan has been occurring at a slower pace than budgeted and the delay in the drawdown on the loan for the purchase of Open Space property. Eliminating the loan proceeds, projected revenues are expected to be approximately 2% lower than budgeted revenues. Overall expenditures are projected to be 34% below budget, the result of delays the engineering work on the Waddle Road Interchange Improvement Project and deferrals of other construction projects like intersection improvements and the purchase of Open Space property. Remaining expenditures are approximately 99.5% of budgeted expenditures.

The Government Finance Officers' Association best practice recommends approximately 17% fund balance as a minimum which equates to approximately two months expenses. The target range for the ending cash balance is between 8% and 12% of expenditures.

	2014 Actual	2015 Budget	2015 Projection	2016 Proposed	2017 Forecast
Ending Cash Balance	\$2,445,489	\$1,913,297	\$2,089,772	\$1,184,952	\$841,513
Expenditures	\$8,373,156	\$14,781,183	\$9,829,081 *	\$14,030,300 *	\$11,488,279 *
Percentage of Expenditures	30.01%	14.80%	23.08%	12.38%	7.64%

* Total Expenditures, for this purpose, exclude debt financing of \$225,000 for 2014, \$773,000 for 2015 and \$960,000 for 2016 for the Waddle Road Interchange project. Also, excludes debt financing of \$3.5 million for 2016 for Open Space purchase.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

ACCOUNT NUMBER	ACCOUNT TITLE	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
	<u>TOTALS</u>					
	TOTAL REVENUE	8,470,579	14,248,991	9,473,364	13,125,480	11,144,840
	TOTAL EXPENSES	8,373,156	14,781,183	9,829,081	14,030,300	11,488,279
	NET + (-)	97,422	(532,192)	(355,717)	(904,820)	(343,439)
	FUND BALANCE					
	BEGINNING BALANCE	2,348,067	2,445,489	2,445,489	2,089,772	1,184,952
	NET + (-)	97,422	(532,192)	(355,717)	(904,820)	(343,439)
	ENDING BALANCE	2,445,489	1,913,297	2,089,772	1,184,952	841,513
		30.01%	14.80%	23.08%	12.38%	7.64%

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

**PATTON TOWNSHIP 2016 BUDGET
LINE ITEM DETAIL
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DESIGNATED RESERVE FUND: POLICE VEHICLE REPLACEMENT

The Patton Township Police Department currently has a fleet of thirteen police vehicles; seven marked vehicles assigned to the Patrol Division, three unmarked cars assigned to the Detectives, a specially marked D.A.R.E. vehicle, a Chief's vehicle, and a staff vehicle used for officers traveling to training, for tactical driving training, or as needed for other functions. In 2012, one patrol vehicle, scheduled to be decommissioned, was not taken out service and was kept as part of active patrol. Having the seventh vehicle allows officers to be assigned a car, thereby allowing for longer vehicle life over the whole fleet. In 2010, the Centre County District Attorney's Office allowed the use of a county vehicle to the department for investigative work. The Detective vehicles can be used in undercover operations.

The patrol division averages 120,000 miles per year in total; the detectives each account for an additional 11,000 miles per year. In 2013, the service life of patrol sedans was increased from five years to six to allow for an increase in the patrol fleet to seven cruisers. The Township mechanic is consulted on which vehicles should be decommissioned.

The schedule of replacement is as follows:

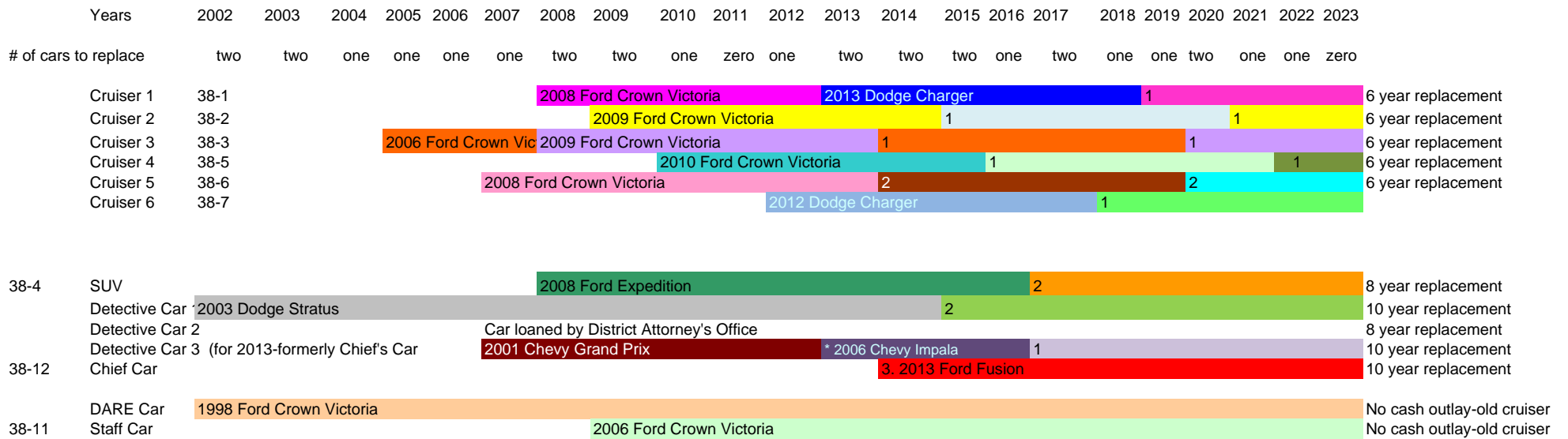
- on average, one cruiser per year is replaced. Each has a six-year life as a marked vehicle. At the end of six years the vehicle may become a staff vehicle. For 2016, one patrol vehicle is scheduled to be decommissioned. After its secondary use, a vehicle may be used as a non-police staff vehicle or sold.
- other vehicles such as the SUV and nonstandard cars are replaced as provided for in the schedule in this section. It is anticipated that these cars will have a longer life than six years because of the nature of their use.
- Patton Township contributes approximately \$1,000 for the maintenance of the mobile command post. This vehicle has been used numerous times for Patton Township critical incidents and for community relations functions.

DESIGNATED RESERVE FUND: POLICE VEHICLE REPLACEMENT (CONT'D)

The Police Vehicle Replacement Fund provides a schedule of annual appropriations for police vehicle acquisitions.

The expenditures for 2016 are as follows:

1 Patrol Car and Computer	\$31,689 + \$5,375
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DESIGNATED RESERVE FUND: POLICE CAR REPLACEMENTS

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 BUDGET	2017 FORECAST	2018 FORECAST	2019 FORECAST	2020 FORECAST	2021 FORECAST	2022 FORECAST	2023 FORECAST
# CARS PURCHASED	TWO	TWO	TWO	ONE	TWO	ONE	ONE	TWO	ONE	ONE	ZERO
	CHIEF'S CAR,38-3, 38- 6	38-2 and D-1	38-2 and D-1	38-5	D-3 and Expedition	38-7	38-1	38-3 AND 38-6	38-2	38-5	
<u>REVENUE</u>											
REVENUE AMOUNT TO FUND Insurance	\$45,000	\$45,000	\$45,000	\$46,000	\$47,000	\$48,000	\$49,000	\$50,000	\$50,000	\$50,000	\$50,000
<u>EXPENDITURES</u>											
CAR	69,959	52,057	48,151	31,689	56,202	32,000	32,960	67,898	34,967	36,016	0
COMPUTER REPLACEMENT	18,441	5,219	10,419	5,375	5,536	5,702	2,937	6,050	3,116	3,209	0
	88,400	57,275	58,570	37,064	61,738	37,702	35,897	73,948	38,083	39,226	0
BALANCE, BEGINNING OF YEAR	96,753	53,386	53,386	39,836	48,872	34,233	44,631	57,834	33,986	46,003	56,877
INTEREST	33	100	19	100	100	100	100	100	100	100	100
BALANCE, END OF YEAR	\$53,386	\$41,211	\$39,836	\$48,872	\$34,233	\$44,631	\$57,834	\$33,986	\$46,003	\$56,877	\$106,977

DESIGNATED RESERVE FUND: PARKLAND ACQUISITION AND IMPROVEMENT

In July 1989, the Board of Supervisors adopted a Township recreation plan providing for the development and improvement of the Township's existing parks and acquisition of two future park sites, one suburban and one rural. The plan was to be funded by a dedicated tax. In 1990 the suburban Haugh tract (38 acres) was acquired and in 1991, the rural Crust tract (74 acres) was purchased.

In 1998 the Board approved a dedicated 0.7 Recreation Millage as recommended by the Recreation Advisory Committee. This millage funded the following:

- A twenty year program to develop the Circleville Park (formerly known as Haugh Tract) and the Bernel Road Park (formerly the Crust property) - \$100,000 of the tax revenue was allocated each year to this reserve fund for new park development.
- Debt payments on the Haugh and Crust properties;
- General park improvements: Any remaining revenue after the above allocations are made is available for general improvements in other parks.

In 2006, the Board of Supervisors retired a "matching funds" requirement policy and endorsed the schedule of improvements as detailed in the 2006-2015 Parks Plan.

In 2007, the master plans for the last phase of Circleville Park and for the development of Bernel Road Park were presented to the Recreation Advisory Committee (RAC). The cost for Circleville was estimated to be approximately \$1.4 million and Bernel Road is expected to cost about \$5.8 million. Circleville Park was completed in 2011.

With development of the 2011-2020 Parks Plan, the RAC revisited the issue of financing park development. With attractive circumstances for borrowing, design, and construction, the RAC recommended financing through bonds the initial phases of Bernel Road Park.

The RAC published an updated Parks Plan in July of 2015.

DESIGNATED RESERVE FUND: PARKLAND ACQUISITION AND IMPROVEMENT (CONT'D)

REVENUE

Private Contributions

- **Payment in Lieu of land:** Developers have a choice as to whether they provide land in their developments for a neighborhood park or they may, at their discretion, propose a payment to the Township instead of providing land. The fee is based on negotiations between the developer and Township staff. If the developer prefers to make a payment, it is assigned to one of two categories.
 1. General: applied to the New Park Development Fund for future use.
 2. Specific: applied to the specific project identified in the subdivision/land development plan. No such payments are anticipated in 2015.
- **Payments for Equipment:** In some cases developers provide a payment for playground equipment or other improvements in a park. These funds are reserved for general or specific uses, as appropriate. No funds are anticipated in 2014.

Tax Revenue

As described in the introduction to this section, a dedicated amount of the total real estate tax millage is assigned to Patton Township parks. In 2015, 7/10ths of a mill of tax is expected to generate \$313,196 of revenue. For 2016, the same millage is anticipated to produce \$328,533.

Bond Proceeds

In 2010, as part of an overall debt refinancing, the Board of Supervisors authorized issuance of additional debt of \$2.105 million to fund the expenditures that had been scheduled for the next decade at Bernel Road Park. These bonds will be repaid over the next ten years.

Interest

Available funds are invested in approved accounts. The interest earned on these investments is credited to this fund.

DESIGNATED RESERVE FUND: PARKLAND ACQUISITION AND IMPROVEMENT (CONT'D)

EXPENDITURES

Parks Project Manager Salary

In 2007 this position was increased from 20 hours to 30 hours per week.

For 2011 and 2012 all local park expenditures have been paid from the Park Fund to help offset tax increases. This meant less funding for park development and improvements. In 2013, it is proposed that the allocation of the Parks Project Managers salary and benefits to the General Fund be slowly restored. For 2013, 10% was allocated to the General Fund.

In reviewing the future work load for parks development given the extensive work done to date and the lack of availability of new funds, the parks program is in maintenance mode until funds are accumulated for construction in Gray's Woods Park. Therefore, this position has been altered to become Public Works Project Manager. Two-thirds of salary and benefits will be allocated to Public Works and one-third will be allocated to parks in the General Fund. No personnel costs will be allocated to the Park Fund.

Administrative Expenses

Included in this line item are advertising and meeting expenses, cell phone fees and other incidental fees.

Debt Service Payments

This line represents the principal and interest payments on the \$2.105 million borrowed to develop Bernel Road Park.

Parkland Improvements

A schedule of improvements has been developed by staff and approved by the Patton Township Recreation Advisory Committee. All capital and major maintenance work expected through 2019 is included in the 2015-2024 Parks Plan adopted this year.

Minor repairs and maintenance work such as line-stripping on courts, re-mulching, electricity, water, and mowing make up the bulk of the costs for this category for the next several years. In 2016, resurfacing of the tennis courts at Green Hollow Park is planned.

DESIGNATED RESERVE FUND: PARKLAND ACQUISITION AND IMPROVEMENT (CONT'D)

New Park Development

- **Circleville Park Development:** The final phase of Circleville Park was completed in 2011. The RAC is exploring adding adult exercise equipment to the park in 2016.
- **Bernel Road Park (formerly Crust Property) Development:** The master plan was developed in 2007. With the financing secured, a firm was hired to complete preconstruction design and engineering. Construction of the playground was substantially completed in 2011 however very wet weather delayed the completion of the parking lot and tennis courts. The remaining work was completed in 2012. In 2016 the RAC wishes to re-open the Master Planning process for Phase 2 of the park.
- **Gray's Woods Park**
A species survey of the wetlands in this location was completed in 2010. Several of the regulatory agencies have considered the wetlands as hospitable habitat for a couple of protected species. Meetings of all concerned parties took place over the course of a year to come to a resolution and issuance of an NPDES permit before park development can commence. The master planning process for this park began in 2013 and was completed in 2014. Some engineering work on the site is expected to occur in 2016 however no construction is planned until 2017 when there will be funds available.

RESTRICTED RESERVE FUND: PARKLAND ACQUISITION AND IMPROVEMENT

	2014 Actual	2015 Budget	2015 Projection	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
REVENUE:								
Tax Revenue	309,272	322,183	313,916	328,533	335,010	341,487	347,964	354,923
Bond Proceeds	0	0	0	0	0	0	0	0
Grants						300,000		
Miscellaneous Revenue	23,072	0	0	20,000	20,000	0	0	0
Interest Earnings	91	100	5	500	500	500	500	500
Total Revenue	\$332,435	\$322,283	\$313,921	\$349,033	\$355,510	\$641,987	\$348,464	\$355,423
EXPENDITURES:								
Parks Project Manager Salary and Benefits	(1,517)	0	0	0	0	0		
Administrative Expenses	246	5,000	1,825	1,862	1,899	1,937	1,976	2,016
Debt Service Payments	239,200	240,050	240,050	235,850	236,600	236,700	240,500	238,525
Parkland Improvements	4,483	26,757	5,714	45,000	6,062	6,244	6,431	6,624
New Park Development								
Circleville Park Development (Phase 1B)	229	0	261	8,000	0	0	0	0
Bernel Road Park	3,162	0	3,757	12,500	0	0	0	0
Bernel Road Park Tree Buffer	0	0	0	0	0	0	0	0
Gray's Woods Park	22,359	55,000	808	55,000	407,000	65,000	0	0
Total Expenditures	\$268,163	\$326,807	\$252,415	\$358,212	\$651,561	\$309,881	\$248,907	\$247,165
Difference	64,272	(4,524)	61,506	(9,179)	(296,051)	332,106	99,557	108,258
Cash Balance, January 1	291,574	355,846	355,846	417,352	408,173	112,122	444,228	543,785
Cash Balance, December 31	\$355,846	\$351,322	\$417,352	\$408,173	\$112,122	\$444,228	\$543,785	\$652,043

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION

2016 Budget

2014 Open Space Referendum

On November 4, 2014 the voters of Patton Township approved a ballot question to authorize the borrowing of \$3,500,000 to acquire and preserve additional Open Space lands in the Township. In early 2015 the Township convened an ad-hoc committee of 13 residents to work through that process and identify those undeveloped properties with willing sellers that would have the highest value as publically owned Open Space. The Open Space Task Force has completed review of the potential properties and is reviewing the list of highest rated properties. The Task Force is following the process developed by the group convened in 2004.

The owner of the top-ranked property would be approached regarding the potential sale to the Township. If acceptable terms can be agreed upon, a schedule will be established to complete the borrowing and close the sale. It is anticipated this will not occur earlier than December of 2015. To begin making debt service payments in 2016, the Board of Supervisors, in December 2015, will need to approve a 2016 Budget with a 0.6 mill property tax increase dedicated for Open Space. The tax increase would be included in property tax bills for 2016.

Previous Referendum

In 2001, the voters of Patton Township approved a \$2.5 million bond issue for Open Space Preservation. The Board of Supervisors appointed an Open Space Task Force in January 2002, and approved the report of the Task Force in September 2004. This report identified the top five properties for preservation as Open Space based on a systematic evaluation of all open properties in the Township using criteria developed by the Task Force with input from the community.

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION (cont'd)

In 2006 the Township closed the deal to acquire the 466 acre Haugh Family Farm located on Circleville Road. The cost of this acquisition, which was a very generous gift from Ms. Helen Haugh and Mr. Hubert Haugh, was \$2.5 million. The property was appraised at \$8 million. In addition to the gift reducing the price on the land purchase, the Haugh Family also established an endowment with the Centre County Community Foundation. The income from this endowment will help fund maintenance and monitoring of the conservation easement of the property.

To fund the debt service (principal and interest) on the bond issue the Board began levying 1.0 mill of property tax. Because of low interest rates and growth in the value of one mill of Township property taxes, it was only necessary to amortize the bond issue over 11.5 years instead of the 20 years originally anticipated. Because the tax base continued to grow, the 1.0 mill tax brought in more funds than necessary for debt service. Funds in excess of debt service were to be reserved for transaction costs associated with the land purchase, but because it was a private sale only minimal costs were incurred.

With the 2007 budget, the Board reduced the Open Space Tax by 1/10th mill to 0.9 mill and the 2009 budget reduced the Open Space Tax by another 2/10th mill to 0.7 mill. To retire the debt on the original schedule in 2014 the millage was reduced to 0.4 mills in 2010 and will remain at 0.3 mills from 2011 through 2012. The dedicated millage was reduced to 1/10th of a mill in 2013 and eliminated for 2014.

The cash balance on the attached schedule shows the funds as designated for specific purposes. The Real Estate Tax revenues are designated exclusively for debt service on the bond issue and transaction costs associated with the financing. Additional monies in the cash balance primarily were generated from interest earned on the bond proceeds between 2003 and 2006, proceeds from the sale of Township property along North Atherton Street in 2006, farm rental for 2006 and 2007, and other interest earned on the account balance. These monies (with the exception of \$8,000 carried forward to 2008 for maintenance expenses) were designated as the "Township Endowment" for the Haugh Family Farm Open Space.

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION (cont'd)

For maintenance and monitoring of the property for the future, four revenue streams are available: the Centre County Community Foundation Haugh Family endowment, the Township endowment, the farm lease, and income from forestry management practices developed through the Forest Stewardship Plan. These revenues are forecasted to be sufficient to fund anticipated maintenance, monitoring, and improvements through 2020. No additional tax revenue is required.

Also in 2007, the Board approved the establishment of an Open Space Stewardship Committee. The committee works with the Open Space Property Manager and Township Manager to develop policy recommendations for the Board's consideration.

REVENUE

Forestry Best Management Practices

"To promote biological diversity, improve forest health and productivity, control invasive species, improve wildlife habitat, protect water resources, and improve recreational access," the Forest Stewardship Plan recommends certain activities that are anticipated to produce income from the sale of saw timber and pulpwood. The revenue shown is the selling price from the harvest activities.

Dedicated Real Estate Tax

These are the funds received annually from the dedicated property tax millage for Open Space Preservation (current and prior). In 2013 this millage was 0.1 mills for 2013 and eliminated in 2014.

A referendum passed in November 2014 authorizing the Board of Supervisors to spend up to \$3.5 million to acquire land to preserve open space. The debt service is to be funded by a dedicated real estate tax of approximately 6/10ths of a mill. The process to identify and acquire property is expected to take most of 2015 and funds will be borrowed when the property is secured. It is anticipated that the dedicated millage will be implemented in 2016 and debt service payments will begin in that year.

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION (cont'd)

CCCF Endowment Income

This is the income expected from the endowment fund established by the Haugh Family. The income is dependent on the earnings of the investments of the Centre County Community Foundation and is set by their Board of Directors.

Farm Rental Income

The sales agreement provides for the continuation of farming. The 2014 rent is based on 236 tillable acres at \$65 per acre.

Interest

This is the amount earned from investment of the funds in the reserve fund.

EXPENDITURES

Real Estate Taxes

This line reflects the State College Area School District and Centre County real estate taxes that are paid on the portion of the property covered by the farming lease.

Stewardship Expenses

This line includes funds expended to create/update stewardship plans, prepare biological studies and for third-party monitoring of the conservation easement requirements.

Forestry Management Practices

In conjunction with harvest activities noted in the revenue section, the Forest Stewardship Plan recommends additional activities to promote the health of the wooded areas. These include herbicide applications to control invasive species and installation of deer fencing to protect saplings until they reach browse height. When a harvest is done using a percentage split of revenues, the proceeds to the harvester will be included on this line.

Maintenance

These costs reflect work performed by Township employees and contractors and include potential improvements such as paths, tree maintenance, and fencing, as well as mowing and brush removal.

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION (cont'd)

Committee Expenses

These are meeting costs for the Open Space Stewardship Committee that meets 4 to 6 times per year. Costs are primarily for food for the 5 pm meetings and rental of gators for the annual property tour.

Allocation of Property Manager Costs

In addition to his other responsibilities, the Township Zoning Officer was promoted to take over the management of the Haugh Family Farm property. A portion of his salary and benefits is reflected here, with the remainder in account 414.131. The allocation was increased in 2009 to \$7000 per year to reflect an increase in personnel costs and additional time spent on Open Space activities. The 2013 allocation was increased to \$8,000.

2014 Survey, Referendum & Open Space Task Force (OSTF)

Costs related to a resident survey conducted in the spring of 2014, the referendum itself, and the OSTF committee activities are included on this line. The survey and referendum costs consist of postage for mailings; and legal and other advertising prior to the November election. OSTF costs consist primarily of meals purchased for the 5 pm meetings.

These costs are being funded from monies remaining in the "Reserved for Debt Service (Tax Revenue)" portion of the "Balance at Year End."

Circleville Bike Path Construction

In 2012 the Township began planning for the construction of a bikeway along Circleville Road from Circleville Park to Scotia Road. Through grant funding from PennDOT the Township had \$309,127 available for construction of this ten-foot wide paved path. Additionally, the Township had invested approximately \$95,000 in engineering, permitting and right-of-way costs.

Construction for the project was bid out through PennDOT in late February. The apparent low bid came in at \$406,406, approximately \$97,000 over the programmed funding. The Centre County Metropolitan Planning Organization (CCMPO) and PennDOT secured another \$40,000 of MPO funding for the project. In April 2015 the Board of Supervisors, with the consent of the OSSC, approved additional expenditures of \$30,000 from the unreserved general fund cash balance and \$30,000 from the Open Space Preservation Operating Reserve Fund to fully fund the project.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION (cont'd)

Property Acquisition

Over the course of 2015, the Township will convene an ad-hoc committee of residents to work through that process and identify those undeveloped properties with willing sellers that would have the highest value as publically owned Open Space. The owner of the top-ranked property would be approached regarding the potential sale to the Township. If acceptable terms can be agreed upon, a schedule will be established to complete the borrowing and close the sale.

Debt and other Closing Costs

\$15,000 has been budgeted for costs associated with acquiring the property and securing the funding. These costs will be funded from monies remaining in the "Reserved for Debt Service (Tax Revenue)" portion of the "Balance at Year End."

Debt Service Payment-Principal and Interest

This amount previously included the annual cost of principal and interest on the 2003 bond issue. The amount varies slightly from year to year but is essentially level over the full period of the bond issue. The final payment was made in 2014.

Revenue acquired through the dedicated real estate millage will be used to make debt service payments on a borrowing approved in the November 2014 Open Space Referendum. At this time, the actual payment schedule is unknown; however estimates indicated that the debt service payments in the current interest rate environment would be approximately \$280,000. The millage may be adjusted to ensure the appropriate amount of funds are collected to make the debt payments.

Balance at Year End

The cash balance includes funds generated from "Tax Revenue reserved for Debt Payments" and funds "Designated for Operating Costs". Operating costs include real estate taxes (on the portion of the property which is farmed), stewardship expenses, forestry management practices, maintenance, and allocation of a portion of the property manager's salary.

DESIGNATED RESERVE FUND: OPEN SPACE PRESERVATION

	2014 ACTUAL	2015 BUDGETED	2015 PROJECTED	2016 BUDGET	2017 FORECAST	2018 FORECAST	2019 FORECAST	2020 FORECAST
BEGINNING YEAR BALANCE	\$439,758	\$295,869	\$295,869	\$286,594	\$280,494	\$284,794	\$289,444	\$293,994
REVENUE								
Other Revenue Sources								
Loan Proceeds - 2014 Referendum	0	3,500,000	0	3,500,000	0	0	0	0
Interest (Tax Revenue Account)	0	0	0	0	0	0	0	0
Operational Revenues								
Forestry Best Management Practices	9,632	7,000	23,534	8,000	0	0	0	0
Dedicated Real Estate Tax	0	0	0	289,964	289,964	289,964	289,964	289,964
CCC Endowment Income	15,495	12,600	13,066	13,000	13,100	13,200	13,300	13,300
Farm Rental Income	15,340	15,340	15,340	15,800	16,200	16,600	17,000	17,000
Reimbursement Grant	0	0	0	0	0	0	0	0
Interest from Operating Accts and Endowment	392	250	266	250	250	250	250	250
TOTAL REVENUE	40,859	3,535,190	52,206	3,827,014	319,514	320,014	320,514	320,514
EXPENDITURES								
Operational Expenditures								
Real Estate Taxes	2,627	2,860	2,747	2,850	2,900	3,000	3,050	3,050
Stewardship Expenses	5,339	2,800	4,672	5,000	4,500	4,500	4,500	4,500
Forestry Management Practices	11,354	3,600	3,750	6,000	6,000	6,000	6,000	6,000
Maintenance	4,014	8,500	10,000	2,500	2,500	2,500	2,500	2,500
Committee Expenses	634	750	566	800	850	900	950	950
Allocation - Property Manager	8,000	8,000	8,000	8,500	8,500	8,500	9,000	9,000
2014 Survey, Referendum & OSTF	2,157	0	1,746	2,500				
Capital Expenditures and Debt Service								
Circleville Bike Path Construction			30,000					
Property Acquisition	0	3,500,000	0	3,500,000	0	0	0	0
Debt and other Closing Costs		15,000	0	15,000	0	0	0	0
Debt Service payment-principal and interest	150,624	0	0	289,964	289,964	289,964	289,964	289,964
TOTAL EXPENSE	184,749	3,541,510	61,481	3,833,114	315,214	315,364	315,964	315,964
BALANCE AT YEAR END	\$295,869	\$289,549	\$286,594	\$280,494	\$284,794	\$289,444	\$293,994	\$298,544
Reserve Fund Balances								
Reserved for Debt Service (Tax Revenue)	\$32,378	\$19,613	\$30,632	\$15,632	\$15,632	\$15,632	\$15,632	\$15,632
Bond Revenue								
Township Endowment	\$198,148	\$198,148	\$198,348	\$198,348	\$198,348	\$198,348	\$198,348	\$198,348
Operating Funds	\$65,343	\$71,788	\$57,614	\$66,514	\$70,814	\$75,464	\$80,014	\$84,564
	\$295,869	\$289,549	\$286,594	\$280,494	\$284,794	\$289,444	\$293,994	\$298,544

DESIGNATED RESERVE FUND: LIQUID FUELS TAX EXPENSE FUND

Each year the Commonwealth of Pennsylvania provides funds to municipalities from the Liquid Fuels Tax Fund generated from the sale of gasoline and diesel fuel. These funds are allocated to municipalities based upon population and local road mileage. The Pennsylvania Department of Transportation Bureau of Municipal Services has indicated that the 2016 allocation totals \$434,836. This is an increase of approximately \$53,000 from the 2015 allocation.

In 2010 a separate fund for reporting Liquid Fuel Tax (LFT) expenditures has been created to more accurately track, forecast and report the use of LFT revenue for eligible LFT expenses.

Budgeted LFT expenditures for 2016 are as follows:

- \$60,031 for Repair & Maintenance Supplies (Rock Salt)
- \$5,624 for Traffic Signal Electricity
- \$29,564 Repair & Maintenance of Vehicles
- \$230,000 Road Resurfacing Project Allocation
- \$164,673 Road Equipment (This amount is 20% of the 2015 LFT allocation and 20% of the 2016 LFT allocation.)

The total LFT eligible expenditures for 2016 are \$489,892.

DESIGNATED RESERVE FUND: LIQUID FUELS TAX FUND

	2013 Actual	2014 Actual	2015 Budget	2015 Projections	2016 Proposed	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
Cash Balance, January 1	\$122,635	\$99,425	\$165,208	\$172,723	\$148,095	\$93,289	\$118,945	\$123,886	\$172,105
REVENUE									
LFT Revenue	318,495	347,051	370,021	382,281	434,836	447,881	461,318	475,157	489,412
Interest	268	287	250	300	250	250	250	250	250
Transfer from General Fund		10,491							
Total Revenue	318,763	357,829	370,271	382,581	435,086	448,131	461,568	475,407	489,662
EXPENDITURES									
Equipment Purchase	61,111	65,270	143,285	67,760	164,673	30,000	151,840	95,031	97,882
Repair & Maint. Supplies (SALT)	103,989	58,714	58,854	82,315	60,031	61,232	62,456	63,705	64,980
Minor Equipment	0	0	0		0	0	0	0	0
Miscellaneous	0	0	0		0	0	0	0	0
Traffic Signal Operations	0	0	0		0	0	0	0	0
Street Signs/Road Maintenance	0	0	0		0	0	0	0	0
Traffic Signal Electricity	4,902	5,301	5,460	6,695	5,624	5,793	5,966	6,145	6,330
Repair & Maintenance of Vehicles	31,267	31,912	28,703	38,894	29,564	30,451	31,365	32,305	33,275
Waddle Road Widening	0	0	0		0	100,000	0	0	0
Road Resurfacing Project Allocation	140,704	123,334	152,967	211,545	230,000	195,000	205,000	230,000	235,000
Total Expenditures	341,973	284,531	389,269	407,209	489,892	422,475	456,627	427,188	437,466
Cash Balance, December 31									
Total Fund Balance	\$99,425	\$172,723	\$146,210	\$148,095	\$93,289	\$118,945	\$123,886	\$172,105	\$224,301
Composition of Fund Balance:									
Carry forward of Equipment reserve	\$62,282	\$64,870	\$69,010	\$69,010	\$77,706	\$0	\$59,576	\$0	\$0
Current Year's Equipment Allocation (20%)	\$63,699	\$69,410	\$74,004	\$76,456	\$86,967	\$89,576	\$92,264	\$95,031	\$97,882
Less Equipment Purchases	\$61,111	\$65,270	\$143,285	\$67,760	\$164,673	\$30,000	\$151,840	\$95,031	\$97,882
Reserved for Equipment Purchases	\$64,870	\$69,010	-\$270	\$77,706	\$0	\$59,576	\$0	\$0	\$0
Available for other uses	\$34,555	\$103,713	\$146,480	\$70,389	\$93,289	\$59,369	\$123,886	\$172,105	\$224,301

DESIGNATED RESERVE FUND: ROAD EQUIPMENT REPLACEMENT

Beginning with the 1988 Budget the Board of Supervisors authorized a schedule of regular appropriations each year to finance the replacement of major equipment items used in the Public Works Department. A replacement schedule for the equipment, based on its estimated useful life, was set forth and is illustrated as a chart below. The present fleet consists of five 30,000 lb. trucks, four 11,000 lb. trucks, two pick-up trucks and 15 other pieces of motorized equipment.

Allocation History

In 1988 the Board allocated \$40,000 to this fund and planned for an annual increase of \$1,000. In 1997, the allocation was increased to \$51,000 with planned annual increases of \$2,000. Based upon the 1997 allocation formula the planned allocation for 2006 was \$69,000. However, with the approval of the 2006 budget the allocation was increased by an additional \$10,000 per year. In 2007, the allocation (based upon the modified 2006 formula) was \$81,000, \$83,000 for 2008 and \$85,000 for 2009. The 2010 allocation was reduced to \$61,822 due to economic conditions. As noted above, the allocation is augmented in some years by grants from DEP to help fund recycling collections for leaves and brush. Since 1993 equipment replacement purchases have been funded by \$1,031,635 from the General Fund, and \$453,848 from DEP grant funding.

The 2016 budget is scheduled for an allocation of \$208,053 to continue the current allocation formula. 2016 allocation will be achieved by utilizing 20% of the 2015 Liquid Fuels Tax Funds (\$74,004) and 20% of the 2016 Liquid Fuels Tax Funds (\$86,967) the remainder (\$47,082) from the General Fund.

Purchases proposed for 2016 include the replacement of a 12,000 GVW dump truck, a 30,000 GVW dump truck, a 1 ton pick-up truck with plow, a bucket truck and a backhoe.

**PATTON TOWNSHIP
PUBLIC WORKS CHART OF EQUIPMENT REPLACEMENT**

Item	Estimated Service Life	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Pull Broom (PB-1)	20 years									2010 Pull Broom (Rescheduled to 2025)											
Leaf Collector	15 years	Taken Out of Service																			
Leaf Collector (ODB-1)	15 years									2008 Leaf Collector											2023
Leaf Collector (ODB-2)	15 years																		1995 Leaf Collector (Replacement on-hold - spare unit)		2025
Kubota Tractor (MT-1)	15 years	1996 Tractor										2013 Tractor									2026
Brush Chipper (BC-1)	15 years	Spare Unit																			
Brush Chipper (BC-2)	15 years												2004 Brush Chipper (used - 10 yr life)					2014			
Brush Chipper (BC-3)	15 years				2005 Brush Chipper													2020			
Tar Applicator	15 years																				
Chip Spreader	15 years								2008 Chip Spreader										2023		
Asphalt Roller (RL-1)	15 years				2005 Asphalt Roller													2020			
Backhoe (BH-1)	15 years	2001 Backhoe														2016					
Front End Loader (WL-1)	20 years											2012 Front End Loader						2032			
Motor Grader (GR-1)	20 years	1992 Motor Grader											2015 Motor Grader (replacement on hold)								
Street Sweeper (P-8)	15 years	2004 Used Sweeper																	2019 Sweep		
11,000# Truck (P-21)	12 years	2002 Truck											2014 Truck								
11,000# Truck (P-27)	12 years	2003 Truck (addition to fleet)													2015 Truck						
11,000# Truck (P-22)	12 years	2004 Truck											2016 Truck								
11,000# Truck (P-25)	12 years								2009 Truck										2021		
30,000# Truck (P-5)	12 years	2004 Truck											2016 Truck								
30,000# Truck (P-23)	12 years												2006 Truck						2018 Truck		
30,000# Truck (P-28)	12 years												2007 Truck								2019 Truck
30,000# Truck (P-24)	12 years												2008 Truck								2020
Pick-up Truck (P-6)	10 years									2010 Pick-up (Rescheduled to 2013)										2019 Pick-up	
Pick-up Truck (P-7)	10 years												2006 Pick-up (new)						2016 Truck		
Mower (ST-1)	8 years								2009 Steiner Mower										2017 Mower		
Skid Steer Loader (SL-1)	15 years	1997 Skid Steer										2013 Skid Steer									2027
Bucket Truck (P-10)	20 years												2008 Bucket Truck (used 8 Year Life)						2016 Bucket Truck		
One-Man Leaf Truck (P-9)	20 years												2006 One Man Leaf Loader								2026
One-Man Leaf Truck (P-11)	20 years											2011 One Man Leaf Loader									2031
Towable Air Compressor	20 years												2012 One Man Leaf Loader								2032

DESIGNATED RESERVE FUND: ROAD EQUIPMENT REPLACEMENT

	2009	2010	2011	2012	2013	2014	2015	2015	2016	2017	2018	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Proposed</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Cash Balance January 1	\$10,259	\$23,323	\$33,341	\$90,320	\$121,125	\$105,094	\$59,134	\$59,134	\$173,136	\$32,774	\$102,874	\$177,813	\$55,945
<u>Revenue</u>													
General Fund Allocation	31,090	10,000	32,084	27,840	34,365	35,779	46,002	46,002	47,082	50,000	55,000	65,000	70,000
Equipment Purchases Paid from Liquid Fuel Funds	53,861	0	0	107,215	61,111	65,270	143,285	67,760	156,456	30,000	151,840	95,031	97,882
Grants	0	0	161,050	0	0	6,113	47,750	67,834	0	0	0	0	0
Interest	75	18	17	143	100	63	100	75	100	100	100	100	100
SCASD (School Drive Project)	0	0	0	0	0	0	0	90	0	0	0	0	0
Rebate on Equipment	0	0	0	0	0	0	0	0	5,000	0	0	0	0
Sale Of Used Equipment	8,857	0	7,709	2,822	0	1,680	10,000	0	65,000	20,000	25,000	40,000	20,000
Total Revenue	93,883	10,018	200,860	138,020	95,576	108,905	247,137	181,761	273,638	100,100	231,940	200,131	187,982
<u>Expenditures</u>													
12,000 GVW dump truck replacement	58,960	0	0	0	0	65,270	70,000	62,982	80,000	0	0	0	0
Mini Excavator replacement	0	0	0	0	50,496		0		0	0	0	0	0
30,000 GVW dump truck replacement	0	0	0	0	0		0		155,000	0	157,000	159,000	160,000
Tractor replacement	0	0	0	0	61,111		0		0	0	0	0	0
Motor Grader replacement	0	0	0	0	0		0		0	0	0	0	0
4-wheel drive mower replacement	21,859	0	0	0	0		0		0	30,000	0	0	0
Brush Chipper replacement	0	0	0	0	0	39,752	0		0	0	0	0	45,831
Leaf Vacuum replacement	0	0	0	0	0		0		0	0	0	0	0
Asphalt Roller replacement	0	0	0	0	0		0		0	0	0	0	34,187
Leaf collection truck fleet addition	0	0	143,881	0	0		0		0	0	0	0	0
1 Ton Pick up & Plow replacement	0	0	0	0	0		0		51,000	0	0	50,000	0
Bucket Truck replacement	0	0	0	0	0		0		25,000	0	0	0	0
Sign Utility Truck replacement	0	0	0	0	0	49,843	0		0	0	0	0	0
Utility Box for Pick up fleet addition	0	0	0	0	0		0		0	0	0	0	0
Street Sweeper replacement	0	0	0	0	0		0		0	0	0	113,000	0
Front-End Loader replacement	0	0	0	94,216	0		0		0	0	0	0	0
Backhoe replacement	0	0	0	0	0		0		103,000	0	0	0	0
Towable Air-Compressor replacement	0	0	0	12,999	0		0		0	0	0	0	0
Electric Tarp for P-23	0	0	0	0	0		0		0	0	0	0	0
Box Broom for Skid Steer	0	0	0	0	0		10,000	4,778	0	0	0	0	0
Total Expenditures	80,819	0	143,881	107,215	111,607	154,865	80,000	67,760	414,000	30,000	157,000	322,000	240,018
Cash Balance December 31	\$23,323	\$33,341	\$90,320	\$121,125	\$105,094	\$59,134	\$226,271	\$173,136	\$32,774	\$102,874	\$177,813	\$55,945	\$3,909

DESIGNATED RESERVE FUND: ROAD RESURFACING AND RECONSTRUCTION

In 2001, the Board of Supervisors established this reserve fund to finance the annual street overlay program and road reconstructions.

The proposed annual appropriation to the fund is based on the township's road mileage 15 years ago, the projected value of the *Engineering News Record (ENR) Construction Cost Index* for July 2016, and a fixed unit funding amount per mile per 100 ENR index points.

Prior to 2005 the unit funding amount used was \$52.035. This figure was originally derived from the Township's expenses for 1998 to 2000. In 2005, the unit funding amount was reduced 6% to \$48.913, reflecting some reduced costs afforded through using micro-surfacing instead of overlay paving and reflecting the good condition of the Township roadways.

The 2016 appropriation is calculated using the unit funding value noted above (\$48.913 per mile per 100 index points), the roadway mileage from 2001 (47.5), and a projected index value for July 2016 (10,375). The projected index value is derived from a linear regression analysis of the July index value for the last five years. The appropriation for the 2016 budget should be:

$$\$48.913 \times 47.5 \times (10,375/100) = \$241,049$$

The total appropriation for 2016 is comprised of \$230,000 from Liquid Fuel Tax revenues from the Commonwealth and a \$45,000 General Fund contribution for a total of \$275,000. The additional funding is requested to address additional spot repairs needed on several streets.

The 2015 program included mill and overlay on portions of Shannon Lane, Julian Pike, Sierra Lane, and Oakwood Avenue. A preliminary list of work for 2016 will be presented with the Fall 2015 Road Report. A final list will be proposed following the spring 2016 road inspection.

DESIGNATED RESERVE FUND: ROAD RESURFACING AND RECONSTRUCTION

	2009	2010	2011	2012	2013	2014	2015	2015	2016	2017	2018	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projections</u>	<u>Proposed</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Cash Balance January 1	\$41,409	\$46,665	\$46,693	\$57,695	\$57,800	\$62,548	\$73,712	\$73,712	\$65,294	\$2,327	\$5,865	\$9,823	\$34,727
<u>Revenue</u>													
General Fund Allocation	5,000	0	25,000	3,064	15,000	15,000	34,207	34,207	45,000	60,000	66,656	75,000	75,000
Liquid Fuel Tax	142,218	99,351	133,389	158,826	140,704	123,334	152,967	211,545	230,000	195,000	205,000	230,000	235,000
Rev. from SCBWA						8,000	0	0	0	0	0	0	0
Grants-County LFT	0	0				0	0	0	0	0	0	0	0
Interest	256	28	20	105	30	26	50	37	50	50	50	50	50
Total Revenue	147,474	99,379	158,409	161,995	155,734	146,360	187,224	245,789	275,050	255,050	271,706	305,050	310,050
<u>Expenditures</u>													
Overlays -Expenditures	125,077	99,351	133,389	158,826	140,704	135,196	224,000	254,207	238,017	251,512	267,748	280,146	300,388
Patching - contract	0	0	0	0	0	0	0	0	100,000	0	0	0	0
Road Crew materials (General Fund)	17,141	0	14,018	3,064	10,282	0	0	0	0	0	0	0	0
Total Expenditures	142,218	99,351	147,407	161,890	150,986	135,196	224,000	254,207	338,017	251,512	267,748	280,146	300,388
Cash Balance December 31	\$46,665	\$46,693	\$57,695	\$57,800	\$62,548	\$73,712	\$36,936	\$65,294	\$2,327	\$5,865	\$9,823	\$34,727	\$44,389

DESIGNATED RESERVE FUND: BUILDINGS REFURBISHMENT

2016 Budget

Beginning in 2005 the Township set aside funds for the refurbishment needs of the building. Various improvement projects were undertaken from 2005 to 2007.

Beginning with the 2008 budget, staff compiled a comprehensive schedule of replacements and major maintenance items for the Township's building facilities to include the:

- Township Office Building
- Road Crew Shop and storage buildings
- former Township Office

The schedule includes carpet replacements, painting, HVAC and other mechanical systems, appliances, furnishings, phone system, roofing and parking lot overlays. For items such as carpeting and appliances, replacement is scheduled to occur on a regular basis in accordance with the expected useful service life of the item. For items such as HVAC systems funds are scheduled for significant repairs and replacement parts on a recurring basis (e.g. every 5 years for HVAC systems.)

2014 expenditures include painting in the Police Department, a new refrigerator, a replacement phone system, HVAC replacements for both the office and shop and a new hot water pressure washer for the shop wash bay. 2015 expenditures include painting in the Police Department and meeting room, new exterior lighting at the shop, major HVAC repairs and replacement of the exterior steps for the office.

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

DESIGNATED RESERVE FUND: BUILDINGS REFURBISHMENT

Expected expenditures for 2016 and 2017 include:

<u>2016 Expenditures</u>		<u>2017 Expenditures</u>	
Carpet - other areas	\$ 9,873	Carpet - Meeting Room	\$ 9,215
Paint Interior	\$ 2,962	Paint	\$ 3,080
Water Heaters	\$ 3,165	Office HVACs (PTACS)	\$18,167
Elevator contingency	\$ 3,165	Shared HVAC system	\$ 6,845
Resurface shop parking lot	\$ 21,104	Refrigerators	\$ 2,970
Water cooler	\$ 263	Furnishings	\$ 5,990
Water Fountain	\$ 1,266	Resurface office parking lot	\$16,076
Furnishings	\$ 2,500	Shop - Door hardware	\$ 224
Exterior Lighting	\$ 6,207	Shop HVAC	\$ 3,581
Overhead doors	\$ 1,377	Shop - Vehicle Lift	\$17,724
Municipal Building Contingency	\$ 2,000	Municipal Building Contingency	\$ 2,000
Shop Contingency	\$ 600	Shop Contingency	\$ 600
	<u>\$54,483</u>		<u>\$86,472</u>

2016 PATTON TOWNSHIP LINE ITEM DETAIL BUDGET

DESIGNATED RESERVE FUND: BUILDING REFURBISHMENT FUND

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 FORECAST	2017 FORECAST	2018 FORECAST	2019 FORECAST	2020 FORECAST
BEGINNING YEAR BALANCE	\$75,913	\$93,182	\$93,182	\$75,488	\$56,555	\$7,183	\$33,523	(\$7,750)
<u>REVENUE</u>								
Appropriation	27,500	29,000	29,000	35,500	37,000	38,500	40,000	41,500
Interest	40	50	40	50	100	100	100	100
TOTAL REVENUE	27,540	29,050	29,040	35,550	37,100	38,600	40,100	41,600
<u>EXPENSE</u>	10,271	60,469	46,734	54,483	86,472	12,260	81,373	14,991
YEAR END BALANCE	\$93,182	\$61,763	\$75,488	\$56,555	\$7,183	\$33,523	(\$7,750)	\$18,859

DESIGNATED RESERVE FUND: TOFTREES TRAFFIC MITIGATION PROJECT

In 2003, based on the original traffic studies conducted in connection with development at the Village of Penn State, the Patton Township Board of Supervisors negotiated with the developers to share in the cost of future road improvements, primarily the widening of the bridge on Waddle Road. Developers, who impact this traffic corridor, are required to contribute to this fund. Fees have been established based on development type and are indexed for inflation.

In 2009, the Township began the process of evaluating the needed improvements for the Waddle Road Interchange. The Township has also contracted with Delta Development to apply for Federal and State grants to fund the proposed construction.

The Township issued a request for proposals for a \$3 million, 25 year bank loan to pay for engineering and preconstruction costs associated with the Waddle Road Interchange Project. The loan was awarded to Kish Bank who provided a loan with drawdown access over the first 30 months, interest only payments during the drawdown period, a fixed rate of 3.13% for the first 10 years and then a variable rate with a 6% cap for the remaining period.

In the spring of 2014, the Township and Kish Bank agreed to extend the drawdown period of the loan for one year to June 2015 because the project had been going more slowly than originally anticipated, mainly because of PennDOT's review process. In the spring of 2015, the Township and Kish Bank agreed to an additional extension of the drawdown period of the loan for two years to June 2017. The pace of the project has now picked up and all funds necessary for the project are expect to be expended by 2017.

Selection and negotiation of an engineering consultant was concluded in early 2012. Since that time, the Township has been working with Erdman Anthony who was awarded the design contract.

In 2014, PennDOT announced that \$12 million had been earmarked for the construction of the Waddle Road Interchange Improvements. In October 2015, the project was bid out as a PennDOT Design-Build contract. The Township remains responsible for the right-of-way acquisition and utility relocations.

DESIGNATED RESERVE FUND: TRAFFIC MITIGATION PROJECT

	2014 ACTUAL	2015 BUDGET	2015 PROJECTIONS	2016 PROPOSED	2017 FORECAST
BEGINNING YEAR BALANCE	\$75,838	\$61,605	\$61,605	\$84,078	\$118,486
<u>REVENUE</u>					
Bank Loan - Drawdown	\$225,344	\$1,852,363	\$773,355	960,000	480,000
General Fund Allocation	\$27,014	\$0	\$2,000	0	0
General Fund Allocation for Debt Service	\$115,618	\$186,197	\$127,525	176,685	182,945
Traffic Mitigation Fee	\$300	\$19,610	\$24,923	34,308	19,844
Interest	\$46		\$50	100	100
<u>TOTAL REVENUE</u>	<u>368,322</u>	<u>2,058,170</u>	<u>927,853</u>	<u>1,171,093</u>	<u>682,889</u>
<u>EXPENSE</u>					
Debt Service	115,618	186,197	127,525	176,685	182,945
Consulting Fees - Delta	31,514	4,500	4,500	0	0
Consulting Fees - Design	235,422	1,852,363	773,355	960,000	480,000
	<u>382,555</u>	<u>2,043,060</u>	<u>905,380</u>	<u>1,136,685</u>	<u>662,945</u>
YEAR END BALANCE	\$61,605	\$76,715	\$84,078	\$118,486	\$138,430

DESIGNATED RESERVE FUND: HOMESTEAD FARMS NEIGHBORHOOD IMPROVEMENT DISTRICT

In 2011, the Township and the Homestead Farms Homeowners Corporation came to an agreement to have the Township assume the ownership of the approximately one mile of roads in the neighborhood, bringing them up to the width and pavement structure standards of the Township and maintaining the roads into the future. The ordinance establishing a neighborhood improvement district was adopted. In 2012, the homeowners association paid \$30,000, on behalf of the property owners, towards the assessment for the improvement of these roads. In addition, each property will be assessed an additional \$3792 payable at \$316 per year for 12 years. Of the 48 affected properties, 43 are in Patton Township and 5 are in Ferguson Township. Ferguson Township has also created a neighborhood improvement district, and assigned the assessment authority to Patton Township.

A schedule of road improvements to be made over the next ten years is included in the Plan for Establishing Neighborhood Improvement Districts for Homestead Farms in Patton Township and Ferguson Township.

ASSIGNED RESERVE FUND: HOMESTEAD FARMS NEIGHBORHOOD IMPROVEMENT DISTRICT

	2014 Actual	2015 Budget	2015 Proposed	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast
Balance January 1	\$47,696	\$9,279	\$9,279	\$24,161	(\$298)	\$14,593	(\$19,866)	(\$4,995)
Revenue:								
Interest	21	50	11	20	20	20	0	0
Assessment	17,275	14,871	14,871	14,871	14,871	14,871	14,871	14,871
	17,296	14,921	14,882	14,891	14,891	14,891	14,871	14,871
Expenditures:								
Labor Costs	10,299	0	0	0	0	0	0	0
Road Improvements	45,414	0	0	39,350	0	49,350	0	54,832
	55,713	0	0	39,350	0	49,350	0	54,832
	\$9,279	\$24,200	\$24,161	(\$298)	\$14,593	(\$19,866)	(\$4,995)	(\$44,956)
Balance December 31								

DESIGNATED RESERVE FUND: TRAFFIC LIGHT REPLACEMENT

Over the past few years, Patton Township has seen a significant increase in the number of traffic signals in the township. Over time the traffic signals will fail and need to be replaced. As some of these traffic signals are approaching the age where replacement will be required, a fund has been set up to set aside funds to pay for future replacements.

A proposal to appropriate \$20,000 to this fund in 2016 is included in this budget.

DESIGNATED RESERVE: TRAFFIC LIGHT REPLACEMENT

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST	2015 FORECAST	2015 FORECAST	2015 FORECAST
BEGINNING YEAR BALANCE	\$0	\$0	\$0	\$0	\$20,000	\$9,788	\$33,788	\$59,788
<u>REVENUE</u>								
Allocation	0	0	0	20,000	22,000	24,000	26,000	28,000
<u>TOTAL REVENUE</u>	0	0	0	20,000	22,000	24,000	26,000	28,000
<u>TOTAL EXPENSE</u>	0	0	0	0	32,212	0	0	67,554
YEAR END BALANCE	\$0	\$0	\$0	\$20,000	\$9,788	\$33,788	\$59,788	\$20,234

DESIGNATED RESERVE FUND: FIRE HYDRANTS

Each property in the Township within 780 feet of a fire hydrant is assessed on a front-foot basis at 7.0 cents per front foot. The current rate for hydrant services from the State College Borough Water Authority is \$100 per year per hydrant.

In 2014, water lines were installed to the Ridgemont and Ferne Smith Estates neighborhoods. Ferne Smith Estates had been contributing towards maintenance and replacement of its dry hydrant. With the installation, a dry hydrant was no longer necessary. With the Homeowners' Associations permission, \$8,250 of accumulated funds were transferred to the Patton Township Water Authority to offset its \$250,000 contribution towards the project.

The Township also collects contributions from Cedar Cliff Homeowners' Associations for maintenance and replacement of storage tanks/dry hydrants in this rural area of the Township.

DESIGNATED RESERVE FUND: FIRE HYDRANTS

	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Forecast	2017 Forecast
Balance January 1	\$31,186	\$36,884	\$51,134	\$51,134	\$55,336	\$58,726
Assessments	22,338	22,730	23,775	22,784	23,240	23,472
Reserve for Dry Hydrant						
Ferne Smith	0	0	0	0	0	0
Cedar Cliff	550	550	550	550	550	550
Transfer to PT Water Authority	0	8,250	0	0	0	0
Payments	(17,190)	(17,280)	(17,280)	(19,132)	(20,400)	(20,400)
Balance December 31	\$36,884	\$51,134	\$58,179	\$55,336	\$58,726	\$62,348

Cash Balance Allocations

General	\$21,284	\$43,984	\$50,479	\$47,086	\$49,926	\$52,998
Dry Hydrants	15,600	7,150	7,700	8,250	8,800	9,350
Total Cash Balance	\$36,884	\$51,134	\$58,179	\$55,336	\$58,726	\$62,348

Cumulative Reserve for Dry Hydrants	Cedar Cliff	Ferne Smith
Beginning 2015 Balance	7,700	8,250
Receipt/(Transfer)	550	(8,250)
Ending 2015 Balance	8,250	-

DESIGNATED RESERVE FUND: STREETLIGHTS

Each property in the Township within 250 feet of a streetlight is assessed an amount of 35 cents per front foot. Vacant lots are assessed 8.75 cents per front foot. This 4:1 ratio is set in the Township Code. The main purpose of this fund is to pay for the electricity that powers the streetlights in portions of the Township. Excess funds are reserved for future replacements and repairs to streetlights.

The Township participates in an Electricity Consortium which provides a reduction in the cost of electricity. No increase in the assessment is deemed necessary at this time.

DESIGNATED RESERVE FUND: STREETLIGHTS

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Proposed</u>	<u>2017 Forecast</u>
Balance January 1	\$13,320	\$16,346	\$20,652	\$20,652	\$21,847	\$20,448
Assessments	42,538	43,162	43,473	42,680	42,675	42,851
Net Assessment transferred From General Fund	42,538	43,162	43,473	42,680	42,675	42,851
Payments	38,579	38,856	39,891	41,383	44,074	46,940
Repair/Replacement	933	0	0	102	0	0
	<u>39,512</u>	<u>38,856</u>	<u>39,891</u>	<u>41,485</u>	<u>44,074</u>	<u>46,940</u>
Balance December 31	<u>\$16,346</u>	<u>\$20,652</u>	<u>\$24,234</u>	<u>\$21,847</u>	<u>\$20,448</u>	<u>\$16,359</u>

DESIGNATED RESERVE FUND: ACCRUED COMPENSATED ABSENCES

This account reflects the expenditures incurred during the year for severance obligations for accumulated sick leave, personal leave and vacation leave up to specified limits. The amount of the Township's obligation is approximately \$597,000 as of December 31, 2014. In 1993 the Board instituted a reserve appropriation of \$5,000 per year. It is the Township's intention to fund approximately ten percent of current obligations as well as any anticipated departures known during the budget production process in an attempt to normalize the unpredictable year-to-year variations in expenditures.

A number of separations occurred in 2015 and are anticipated in the next several years, therefore it is necessary to continue to contribute to this fund at a higher rate.

DESIGNATED RESERVE FUND: ACCRUED COMPENSATED ABSENCES FUND

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Proposed</u>	<u>2017 Forecast</u>
Balance January 1	\$57,766	\$49,312	\$49,312	\$11,296	\$1,048
<u>Revenue</u>					
Appropriation	10,000	10,000	35,000	30,000	25,000
Interest	27	30	23	25	30
Total Revenue	<u>10,027</u>	<u>10,030</u>	<u>35,023</u>	<u>30,025</u>	<u>25,030</u>
<u>Expenses</u>					
Payments made from fund	18,482	0	73,039	40,273	0
Total Expenses	<u>18,482</u>	<u>0</u>	<u>73,039</u>	<u>40,273</u>	<u>0</u>
Balance December 31	<u>\$49,312</u>	<u>\$59,342</u>	<u>\$11,296</u>	<u>\$1,048</u>	<u>\$26,078</u>

DESIGNATED RESERVE FUND: EMERGENCY ASSISTANCE

As a result of a number of severe weather events that the Township has experienced, a fund was established in 2004 to provide for the hiring of temporary workers, purchase of materials, rental of equipment, and/or use of contractors on a short-term basis to enable the Township to respond quickly to emergencies and to enable the quick resumption of regular operations.

At the end of 2006, this fund had a balance of approximately \$31,000. In light of the initialization of the COG Emergency Management contingency fund, allocations to this fund were suspended but the balance, and interest earnings, are preserved for purposes detailed above.

On October 16, 2009, a disaster declaration was made for the Centre Region because of a record-breaking early snowfall which brought down a significant number of trees and cut power throughout the region. At the peak, approximately 13,000 customers were without power. A Red Cross emergency shelter was opened in the Park Forest Elementary school for several nights. The road crew with help from other Township employees did a tremendous job removing the debris. The Township hired two tree service contractors and rented an additional brush chipper to remove the brush. The damage was so extensive that it took 9 days to make one pass through Park Forest Village.

Over the years, this fund has been used for clean up after early season snowstorms, ice damage, and oak wilt mitigation. This fund will be maintained at the \$35,000 level.

DESIGNATED RESERVE: EMERGENCY ASSISTANCE

	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 PROPOSED	2017 FORECAST
BEGINNING YEAR BALANCE	\$27,820	\$30,034	\$30,034	\$30,035	\$35,060
<u>REVENUE</u>					
Allocation	2,200	0	0	5,000	0
Interest	14	35	14	25	50
<u>TOTAL REVENUE</u>	2,214	35	14	5,025	50
<u>TOTAL EXPENSE</u>	0	0	2,845	0	0
YEAR END BALANCE	\$30,034	\$30,069	\$27,203	\$35,060	\$35,110

DESIGNATED RESERVE FUND: ENCUMBERANCES

Each year there are several projects that are budgeted but, for a variety of reasons, must be deferred. In an effort to show the impact of these projects on the fund balance in the General Fund, we have shown these expenditures as having been made in the appropriate line of the General Fund but the funds are reserved here for the future cash outlay.

For major projects which require more than one budget year to be fully completed, we will show the money reserved in this fund. Only funds for capital projects, consultant studies and major expenditures noted in the budget narratives are eligible for carry-over in this designated reserve fund.

Example of these projects are police record management software, emergency communications upgrades, contributions to regional economic development, and traffic signal upgrades. If planned projects did not transpire, the funds were returned to the General Fund.

The developer of the Trader Joe's Plaza, formerly Green Tree Commons, was required to make a contribution, based on occupancy, towards traffic signal upgrades. Their contribution for 2012 was \$46,300. \$3,678.50 went to general fund to repay expenses already incurred for traffic signal upgrades. In 2013, four more intersections were outfitted with emergency battery backup units that will maintain traffic signal functions in the event of a power failure.

The remaining balance at the end of 2015 represents funds for traffic signal upgrades, adaptive signaling, both to be completed in 2016, \$20,000 contribution for future economic development, \$50,000 for the PW Office Expansion and \$55,000 for the new Police Records Software.

DESIGNATED RESERVE FUND: ENCUMBRANCES

	2012 ACTUAL	2013 ACTUAL	2014 BUDGET	2014 ACTUAL	2015 BUDGET	2015 PROJECTED	2016 FORECAST	2017 FORECAST
ENCUMBERED FUNDS, Beginning Balance	\$30,000	\$175,617	\$35,000	\$169,635	\$119,988	\$119,988	\$227,988	\$20,000
Police Records System	0	0	0	0	0	55,000	0	0
Park Forest Entrance Landscape Plan	0	0	0	0	0	0	0	0
Zoning Software	0	0	0	0	0	0	0	0
Police radios	77,100	0	0	0	0	0	0	0
Public Works Radios	0	33,300	0	0	0	0	0	0
Mobile Video Recording for Police Cars	0	24,235	0	0	0	0	0	0
Police Mobile Smart Cards	5,866	0	0	0	0	0	0	0
Traffic Signal Upgrades-Battery Backups	42,651	0	0	49,988	0	0	0	0
S&A Field Contribution	0	0	0	10,000	0	0	0	0
Valley Vista Adaptive Signalling Project	0	0	0	40,000	0	0	0	0
Public Works Office Renovation	0	0	0	0	0	69,000	0	0
Regional Economic Development	20,000	15,000	15,000	0	0	0	0	0
	<u>145,617</u>	<u>72,535</u>	<u>15,000</u>	<u>99,988</u>	<u>0</u>	<u>124,000</u>	<u>0</u>	<u>0</u>
EXPENDITURE								
Police Records System	0	0	0	0	0	0	55,000	0
Return Excess Funds to General Fund	0	35,866	0	80	0	0	0	0
Park Forest Entrance Landscape Plan	0	0	0	0	0	0	0	0
Zoning Software	0	0	0	0	0	0	0	0
Police radios	0	0	0	77,100	0	0	0	0
Public Works Radios	0	0	0	33,220	0	0	0	0
Mobile Video Recording for Police Cars	0	0	0	24,235	0	0	0	0
Police Mobile Smart Cards	0	0	0	0	0	0	0	0
Traffic Signal Upgrades-Battery Backups	0	42,651	0	0	49,988	0	49,988	0
Valley Vista Adaptive Signalling Project	0	0	0	0	40,000	6,000	34,000	0
S&A Field Contribution	0	0	0	0	0	10,000	0	0
Public Works Office Renovation	0	0	0	0	0	0	69,000	0
Regional Economic Development (2013 Contributi	0	0	0	15,000	0	0	0	0
	<u>0</u>	<u>78,517</u>	<u>0</u>	<u>149,635</u>	<u>89,988</u>	<u>16,000</u>	<u>207,988</u>	<u>0</u>
YEAR END BALANCE	<u>\$175,617</u>	<u>\$169,635</u>	<u>\$50,000</u>	<u>\$119,988</u>	<u>\$30,000</u>	<u>\$227,988</u>	<u>\$20,000</u>	<u>\$20,000</u>

Balance Reserved for:		
Economic Development (2012)	\$20,000	\$20,000
Traffic Signal Upgrades-Battery Backups (2014)	\$49,988	
Valley Vista Adaptive Signalling Project (2014)	\$34,000	
Public Works Office Renovation (2015)	\$69,000	
Police Records System (2015)	\$55,000	
	<u>\$227,988</u>	<u>\$20,000</u>