

Board of Supervisors
Regular Meeting
December 13, 2022



EAST BRADFORD TOWNSHIP

CHESTER COUNTY, PENNSYLVANIA

2023 Budget

Budget Summary

The 2023 Budget is balanced. East Bradford Township expects to have about \$11.8 million on hand at the end of 2023.

The property tax rate is unchanged at 1.75 mills.

Six of the Township's seven individual budgets – General Fund, Highway Improvement, Capital Investment, Liquid Fuels, Capital Reserve, and Open Space – will end 2023 with positive balances, with the Sewer Fund likely to be closed out during the year.

Account Balance Summary, 2020-2023 East Bradford Township

Fund Name	Balance 12/31/2020 (actual)	Balance 12/31/2021 (actual)	Balance 12/31/2022 (budgeted)	Balance 12/31/2022 (projected)	Balance 12/31/2023 (budgeted)
GENERAL FUND (01)	\$2,493,346	\$3,204,167	\$2,527,352	\$3,459,606	\$1,831,731
SEWER FUND (08)	\$1,010,071	\$632,807	\$583,358	\$801,745	\$0
HIGHWAY IMPROVEMENT FUND (18)	\$129,035	\$125,021	\$55,340	\$96,506	\$48,541
CAPITAL INVESTMENT FUND (30)	\$4,963,319	\$4,964,928	\$4,363,319	\$4,991,059	\$5,763,508
LIQUID FUELS (35) FUND	\$30,662	\$236,248	\$164,716	\$245,630	\$271,789
CAPITAL RESERVE FUND (50)	\$830,070	\$464,918	\$11,417	\$933,610	\$100,400
OPEN SPACE FUND (99)	\$166,725	\$283,157	\$2,494,920	\$1,220,807	\$3,843,026
Total Available Funds	\$9,623,228	\$9,911,245	\$10,200,422	\$11,748,962	\$11,858,995

Tax Overview

The resident Earned Income Tax (EIT) Rate is 1.25%. 0.5% goes to West Chester Area School District, 0.25% is reserved for East Bradford Township open space preservation efforts, and 0.5% is for general Township purposes. The non-resident EIT rate is 1.0%.

2022 projection: \$2,860,000 2023 budget: \$2,900,000

The Local Services Tax is \$52.00/year for anyone working in East Bradford.

2022 projection: \$87,000 2023 budget: \$84,000

The property tax rate is 1.75 mills, unchanged from 2021. Real estate taxes are collected by the Chester County Treasurer under an annual contract.

2022 projection: \$1,428,000 2023 budget: \$1,480,345

The Real Estate Transfer Tax is $\frac{1}{2}$ of 1% on the value of real estate transferred in the Township and is disbursed monthly by the Chester County Recorder of Deeds.

2022 projection: \$658,000 2023 budget: \$312,500

East Bradford Township intentionally takes a conservative approach when budgeting tax receipts.

General Fund Budget

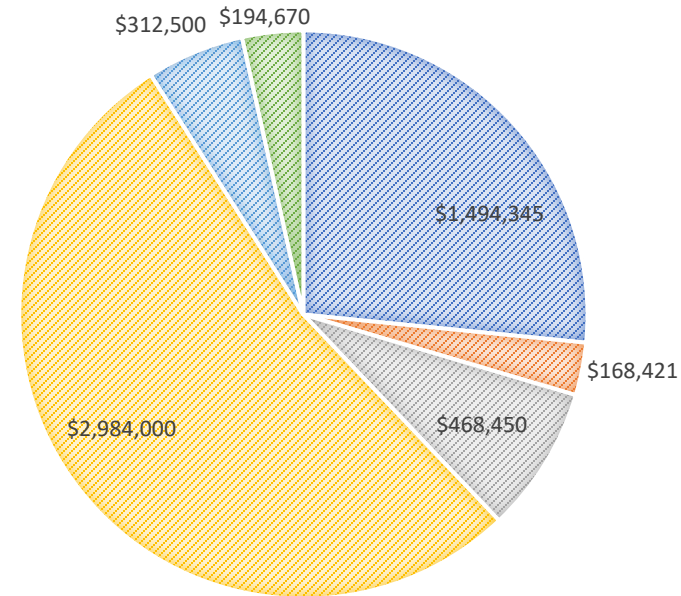
Revenues

The General Fund is the principal operating fund for the Township.

- 53% of anticipated revenues comes from the Earned Income and Local Services taxes.
- 26.5% comes from property taxes.
- The remaining 20% comes from fees (for building and zoning permits, park facility rentals, etc.), fines, interest earnings, Commonwealth and county grants, and transfers from other funds.

2023 GENERAL FUND REVENUE

■ Property tax ■ State/County Funding ■ Fees, Fines, etc. ■ EIT and LST ■ Transfer Tax ■ Transfers from other funds



A portion of the 2022 year-end balance of \$3.46 million will be used to supplement 2023's anticipated revenues of \$5.62 million.

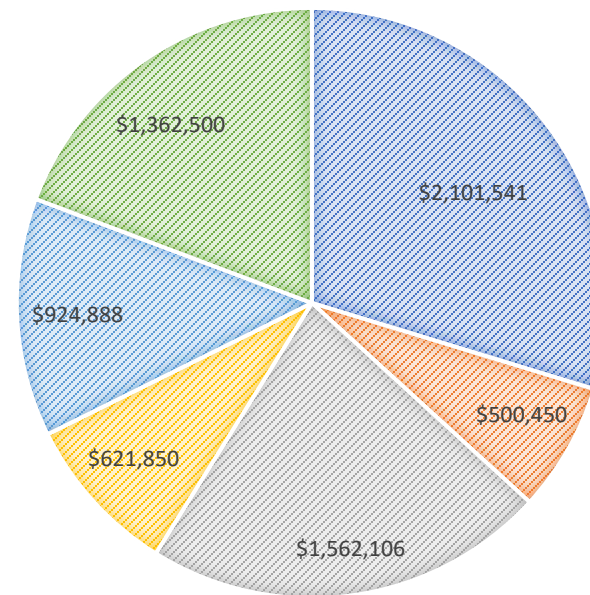
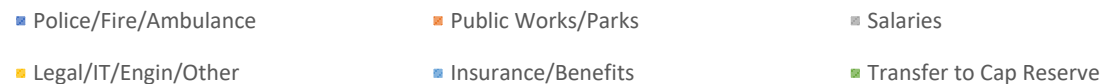
General Fund Budget

Expenditures

The 2023 General Fund budget includes \$7.5 million in expenditures.

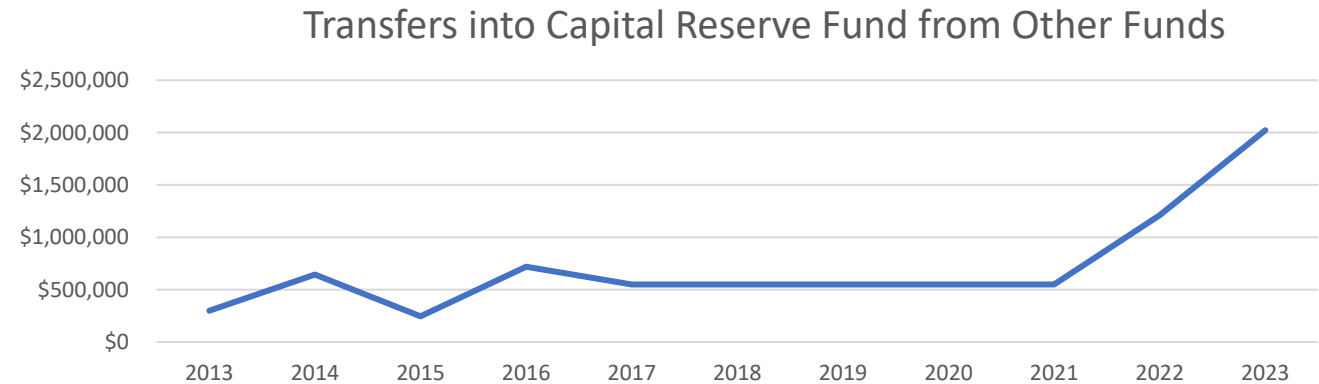
- The annual Police Protection Contract with West Chester Borough will cost \$1.65 million, with police, fire and ambulance combined totaling over \$2 million -- 360% more than anticipated property tax receipts.
- Salaries account for 22% of budgeted costs. Currently at 15 full-time employees, the Township plans to hire another 2.5 FTE in 2023.
- \$1.362 million – nearly 20% of the budget -- is slated for transfer to the Capital Reserve Fund to support infrastructure repair and construction.

2023 GENERAL FUND EXPENDITURES



Capital Reserve Budget

\$1.039 million received from the American Rescue Plan in 2021-22 was deposited into this account, and the Township continues to actively pursue grants to defray the cost of infrastructure projects. Additionally, the Capital Reserve Fund will receive over \$2 million in transfers from the General, Sewer, and Capital Investment Funds, a significant increase from past years.



The 2023 Capital Reserve budget includes:

- \$ 388,000 for facility improvements, police capital purchases, debt repayment, and establishment of a sewer capital line item;
- \$ 910,000 for stormwater management projects;
- \$ 1.17 million for road and bridge design/repair, including \$95,000 to supplement the Liquid Fuels paving budget;
- \$ 135,000 for park capital improvements (also funded out of the Open Space account); and
- \$ 533,500 in vehicle/machinery/equipment purchases

Liquid Fuels Budget

The Liquid Fuels Fund is funded with gasoline taxes collected by the Commonwealth of Pennsylvania. Annual allocations are based on Township road miles and population.

Use of the fund is limited to road maintenance/reconstruction and related equipment purchases.

The 2023 budget reserves the entire annual allocation (estimated at \$341,000) for paving, to be supplemented with moneys from the Capital Reserve Fund and from the prior account balance carried over from 2022.

Open Space Budget

The Open Space Fund, created in 1999, is funded principally from the earned income tax (0.25%) pursuant to the Open Space Preservation Act. Expenditures are restricted to the acquisition of interests in real property and associated maintenance and improvement costs.

2022 projection: \$1,372,800 2023 EIT budget: \$1,392,000

East Bradford Township has been awarded \$2.5 million in grants from Chester County and from the Commonwealth of PA to defray the costs of the 2020 purchase of 156 acres near the intersection of Skelp Level and Harmony Hill Roads.

2022 projection: \$0 2023 grant budget: \$2,550,000

Debt service will exceed \$1 million in 2023.

The Board of Supervisors is reviewing additional open space preservation opportunities to determine how to allocate the anticipated year end balance of \$3.8 million.

Sewer Fund Budget

In December 2018, East Bradford Township sold its public sewer conveyance system to Aqua PA.

The Sewer Fund continues to support the construction and operation of the system in the Darlington Ridge subdivision. Once that development is complete, the Township will likely sell the system, with closing anticipated in 2023. The proceeds of the sale will be deposited into the Capital Investment Fund.

The remaining balance in the Sewer Fund will be shifted to the Capital Reserve Fund to support future infrastructure needs, with a small allocation to the General Fund for operating costs.

Highway Improvement Budget

The Highway Improvement Fund supports the design and construction of road improvements.

A pedestrian safety project on Route 322 at Bradford Plaza (a cooperative venture with PennDOT and West Chester Borough that has been in the works for several years) is expected to be completed in 2023.

Traffic studies and some regularly scheduled road maintenance tasks (vegetation maintenance, line painting) are also paid out of this account.

Capital Investment Budget

The Capital Investment Fund was created in 2018 to manage the proceeds from the sale of the public sewer system (\$5,000,000). The intent of the Board of Supervisors was to conserve the principal and use annual investment returns to supplement the Township General and Capital Reserve Funds.

Presuming that the Darlington Ridge sewer system is sold in 2023, the proceeds from that sale will likewise be deposited into the Capital Investment Fund. All investment returns on this account in 2023 will be transferred to the Capital Reserve Fund to address ongoing infrastructure needs.