

## LOWER PROVIDENCE TOWNSHIP INTER-OFFICE CORRESPONDENCE

TO: Board of Supervisors

FROM: Gregg Schuster, Interim Township Manager

DATE: October 29, 2021

RE: 2022 Budget Options

---

As requested, this is a compilation of options for you to consider for the 2022 budget. It is based on the following assumptions:

- The current draft general fund budget has a deficit of \$527,712
- We will increase funding for the fire department by \$186,400 for a program that will pay for on call firefighters on nights and weekends
- We will establish a Fire Fund if funding to LPFD is increased
- The average home assessment is \$168,518

The options are listed below. The last page is a compilation of all options for comparison.

### Option A – Fund LPFD through a transfer from the General Fund with no tax increase

This option funds the LPFD request through a transfer from the General Fund. As the additional LPFD funding is expected to continue every year, this option would accelerate the depletion of fund balance.

	Option A: Fund LPFD, No Tax Increase			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0	-0.25	0.25	<b>0</b>
Amount Increase	\$0	-\$401,218	\$401,218	\$0
Average Annual Tax Increase	\$0.00	-\$42.12	\$42.12	<b>\$0.00</b>
Remaining Deficit	\$527,712	\$0	\$186,400	\$714,112

### Option B – Fund LPFD through a Fire Fund tax increase, but do not address the General Fund Deficit

This option will fully fund the LPFD request through a mill rate increase but will not address the General Fund deficit.

	Option B: Fund LPFD, Fire Fund Tax Increase Only			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0	-0.25	0.37	<b>0.12</b>
Amount Increase	\$0	-\$401,218	\$593,803	\$192,585
Average Annual Tax Increase	\$0.00	-\$42.12	\$62.35	<b>\$20.23</b>
Remaining Deficit	\$527,712	\$0	\$0	\$527,712

### Option C – Fund LPFD and eliminate approximately 1/3 of the General Fund deficit with tax increases

This option will fully fund the LPFD request through a mill rate increase and will also eliminate approximately 1/3 of the General Fund deficit through a mill rate increase.

	<b>Option C: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 1/3 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.11	-0.25	0.37	<b>0.23</b>
Amount Increase	\$176,536	-\$401,218	\$593,803	\$369,121
Average Annual Tax Increase	\$18.54	-\$42.12	\$62.34	<b>\$38.76</b>
Remaining Deficit	\$351,176	\$0	\$0	\$351,176

### Option D – Fund LPFD and eliminate approximately 1/2 of the General Fund deficit with tax increases

This option will fully fund the LPFD request through a mill rate increase and will also eliminate approximately 1/2 of the General Fund deficit through a mill rate increase.

	<b>Option D: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 1/2 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.16	-0.25	0.37	<b>0.28</b>
Amount Increase	\$256,780	-\$401,218	\$593,803	\$449,365
Average Annual Tax Increase	\$26.96	-\$42.12	\$62.34	<b>\$47.18</b>
Remaining Deficit	\$270,932	\$0	\$0	\$270,932

### Option E – Fund LPFD and eliminate approximately 2/3 of the General Fund deficit with tax increases

This option will fully fund the LPFD request through a mill rate increase and will also eliminate approximately 2/3 of the General Fund deficit through a mill rate increase.

	<b>Option E: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 2/3 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.22	-0.25	0.37	<b>0.34</b>
Amount Increase	\$353,072	-\$401,218	\$593,803	\$545,657
Average Annual Tax Increase	\$37.07	-\$42.12	\$62.34	<b>\$57.29</b>
Remaining Deficit	\$174,640	\$0	\$0	\$174,640

### Option F – Fund LPFD and eliminate all of the General Fund deficit with tax increases

This option will fully fund the LPFD request through a mill rate increase and will also eliminate all of the General Fund deficit through a mill rate increase.

	<b>Option F: Fund LPFD, Fire Fund Tax Increase and Eliminate Entire General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.33	-0.25	0.37	<b>0.45</b>
Amount Increase	\$529,608	-\$401,218	\$593,803	\$722,193
Average Annual Tax Increase	\$55.61	-\$42.12	\$62.34	<b>\$75.83</b>
Remaining Deficit	\$0	\$0	\$0	\$0

## 2022 Budget Options

	<b>Option A: Fund LPFD, No Tax Increase</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0	-0.25	0.25	<b>0</b>
Amount Increase	\$0	-\$401,218	\$401,218	\$0
Average Annual Tax Increase	\$0.00	-\$42.12	\$42.12	<b>\$0.00</b>
Remaining Deficit	\$527,712	\$0	\$186,400	\$714,112
	<b>Option B: Fund LPFD, Fire Fund Tax Increase Only</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0	-0.25	0.37	<b>0.12</b>
Amount Increase	\$0	-\$401,218	\$593,803	\$192,585
Average Annual Tax Increase	\$0.00	-\$42.12	\$62.35	<b>\$20.23</b>
Remaining Deficit	\$527,712	\$0	\$0	\$527,712
	<b>Option C: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 1/3 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.11	-0.25	0.37	<b>0.23</b>
Amount Increase	\$176,536	-\$401,218	\$593,803	\$369,121
Average Annual Tax Increase	\$18.54	-\$42.12	\$62.34	<b>\$38.76</b>
Remaining Deficit	\$351,176	\$0	\$0	\$351,176
	<b>Option D: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 1/2 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.16	-0.25	0.37	<b>0.28</b>
Amount Increase	\$256,780	-\$401,218	\$593,803	\$449,365
Average Annual Tax Increase	\$26.96	-\$42.12	\$62.34	<b>\$47.18</b>
Remaining Deficit	\$270,932	\$0	\$0	\$270,932
	<b>Option E: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 2/3 of General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.22	-0.25	0.37	<b>0.34</b>
Amount Increase	\$353,072	-\$401,218	\$593,803	\$545,657
Average Annual Tax Increase	\$37.07	-\$42.12	\$62.34	<b>\$57.29</b>
Remaining Deficit	\$174,640	\$0	\$0	\$174,640
	<b>Option F: Fund LPFD, Fire Fund Tax Increase and Eliminate Entire General Fund Deficit</b>			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.33	-0.25	0.37	<b>0.45</b>
Amount Increase	\$529,608	-\$401,218	\$593,803	\$722,193
Average Annual Tax Increase	\$55.61	-\$42.12	\$62.34	<b>\$75.83</b>
Remaining Deficit	\$0	\$0	\$0	\$0