

LOWER PROVIDENCE TOWNSHIP INTER-OFFICE CORRESPONDENCE

TO: Board of Supervisors

FROM: Gregg Schuster, Interim Township Manager

DATE: November 23, 2021

RE: 2022 Budget Summary

The Board has approved a preliminary budget which has been advertised for a minimum of 20 days as required by the Second Class Township Code. While the budget is in deficit as in prior years, it meets the operational needs of the Township in a fiscally acceptable way.

Key highlights of the 2022 budget include:

- Maintains the current level of services
- Outsources mowing to enable staff to work on higher-skilled activities
- Funds the “come from home” staffing program for the LPFD
- Increases millage to fund operations and eliminate half of the structural deficit

Although the structural deficit is not being eliminated, the Township has positioned itself to effectively deal with it going forward, especially since we are projecting to finish 2021 in the black. Long term financial planning is critical in achieving an ongoing stable budget. A long term plan will identify the sources and amount of revenue needed to support current and future operations.

The budget as advertised will increase the General Fund mill rate by .16, decrease the Emergency Services Fund mill rate by .2358, and establish a new Fire Fund with a mill rate of .3558 which nets out to a total of a .28 mill rate increase. Using an average property assessment of \$168,518, a taxpayer will see an average tax increase of \$47.18 or less than \$4 per month.

	Option D: Fund LPFD, Fire Fund Tax Increase and Eliminate Approximately 1/2 of General Fund Deficit			
	General Fund	Emergency Services Fund	Fire Fund	Total
Mill Rate Increase	0.16	-0.2358	0.3558	0.28
Amount Increase	\$256,780	-\$378,429	\$571,014	\$449,365
Average Annual Tax Increase	\$26.96	-\$39.74	\$59.96	\$47.18
Remaining Deficit	\$270,932	\$0	\$0	\$270,932