



Radnor Township

- 2021 Budget Presentation -

Unprecedented Times, Unprecedented *Performance*



PRESENTATION OUTLINE

- Unprecedented Times, Unprecedented Performance Overview
- Departmental Presentations
- 2021 General Fund Operating Statement
- Major Revenue Assumptions
- Major Expenditure Assumptions
- Capital Summary
- Community Organization Recommendations
- Next Steps





Baseline Operating Statement

The baseline represents today's service offering, at today's tax rates forecasted for 2021

BASELINE ASSUMPTIONS



Revenue

- Discussion regarding reliance on Business Taxes
- As this time, NO millage change is included in Revenue



Services

- Assumes today's level of service at today's FTE headcount
- Departments will be presenting several requests for 2021



Capital

- Only funding pay as you go capital. No pay as you use
- Will focus on completing 2019 GOB projects
- Will focus on implementing stormwater project plan



Fire / Community Organization Funding

- All: Based recommendation on the requests from the entities



Base Operation Expense Increase Drivers

Highlights as presented at the Special Board Meeting back in January 2019 and 2020 Budget



Reliance on Business Taxes

Before 2019, the Township's operating millage had been 3.7511 going back to 2012. Business tax growth allowed expanded funding to OPEB, capital and others. However, in the last two years, those revenues have backed up, straining those 2012 level revenues



Pension and OPEB

Compared to 2012, pension is \$2.0M higher. In addition, the OPEB funding plan will cost \$1.8M more in 2021 versus 2019. The total of the two is \$3.8M cost increase

Consequently, the 2021 budget suspends all OPEB funding due to lack of revenue



Capital Funding

Since 2012, the Township has relied on aggressively growing business tax revenues to fund capital. However, those revenues have shrunk to pre-2012 levels, eliminating any capital funding outside of individual borrowings



Significant Operational Increases

Trash and Recycling costs have increased by over **\$350,000** in the last three years

Tree Mgmt costs have increased by over **\$150,000** in same period



Regular Operating Growth

In addition to refilling various vacant positions that existed in 2012, the cost of doing business has grown over the last eight years.

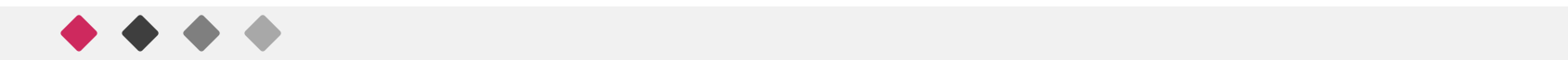




Base Line General Fund Operating Statement

Revenues	2018	2019	2020 <small>budget</small>	2020 <small>To-Date</small>	2021 <small>TMRB</small>
Real Estate Taxes	\$12,553,136	\$13,230,107	\$14,181,688	\$13,469,516	\$14,062,311
Act 511 Taxes	13,642,007	12,001,480	13,839,000	10,056,925	12,471,000
Licenses and Permits	4,324,613	5,679,995	3,947,750	2,232,123	3,521,700
All Other	4,413,015	4,109,565	4,191,700	2,488,759	3,732,600
Total Revenue	34,932,771	35,021,147	36,160,138	28,247,322	33,787,611
Expenses					
Payroll and Related	21,927,380	21,285,638	22,381,667	15,270,675	22,924,462
Other Operating	8,077,559	7,310,129	9,360,611 ^A	5,800,454	7,641,895
Capital	1,282,538	1,450,798	1,477,679	620,273	1,568,030
Debt Service	3,004,083	3,014,992	3,021,681	2,385,000	3,021,681
Transfers Out	1,203,000	1,463,209	1,634,209	-	150,000
Total Expenses	35,494,560	34,524,766	37,875,847	24,076,401	35,306,068
Net Revenue / (Expense)	(561,789)	496,380	(1,715,709)	4,170,921	(1,518,457)

A. Engineering Escrow includes \$1.3 million in outstanding purchase orders representing project funds being held to pay for review fees



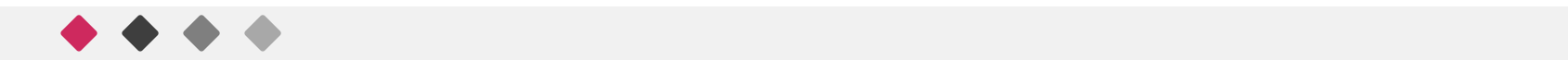


2021 Programming Expansion Requests

New / Expanded Programming:	Full Year Cost	Implementation Date	2021 Estimate
Police Staffing FTE Emergency Management Sergeant (x1 Officer)	\$150,000	1/1/2021	\$150,000
Police Staffing High Density Beat Patrols (x2 Officers)	300,000	7/1/2021	150,000
Police Accreditation Program To be managed by FT OEM Sgt	33,000	1/1/2021	33,000
GIS Coordinator FTE Position dedicated to GIS Mapping	115,000	7/1/2021	57,500
Project Engineer FTE Engineer to asst. in project design / mgmt. Cost is net of 3 rd party expense reductions	45,000	4/1/2021	33,750
Fire Inspector Funded by Businesses through Inspection Fee (new)	150,000	1/1/2022	-
Subtotal	793,000		424,250

Not included in the 2021 Funding Request:

- Public Works | Tree Crew – evaluate in 2021
- Public Works | Electrician – evaluate in 2021
- Comprehensive Plan Update | When funded
- Ordinance Review / Update | When funded
- Comm Dev / Engineering Document Scanning | Revisit in 2022





General Fund Cash Balance

	General Fund
2019 Ending Cash Balance	\$11,222,729
2020 Net (Revenue)/ Expense – Budgeted	1,715,709
Resulting 2020 Ending Cash Balance	9,507,020
2021 Revenue Budget	(33,787,611)
2021 Expenditure Budget	35,306,068
Net 2021 (Revenue) / Expense – As proposed	1,518,457
Resulting 2021 Ending Cash Balance	7,988,563
Less: 2021 Additional Personnel / Programming Requests	424,250
Resulting 2021 Ending Cash Balance	\$7,564,313





General Fund Cash Balance | Fund Balance Policy

	General Fund
2021 Projected Ending Cash Balance	\$7,564,313
Fund Balance Policy	
Base: 15% of General Fund Expenditures	5,295,910
Business Tax Mitigation Requirement of add'l 10% of General Fund Expenditures	<u>3,530,607</u>
Total Fund Balance Required by Policy	\$8,826,517
Fund Balance Surplus / (Deficit)	(\$1,262,204)

Legal Summary:

- §44.10(D)(5)(b) required 15% of General Fund Expenditures
- §44.10(D)(5)(c) requires two years to restore the fund balance if we fall below
- §44.10(E)(1)(a)[2] adds an additional 10% if Act 511 revenues are greater than 30% of General Fund total revenues. As budgeted, Act 511 represents 37% of GF Revenues



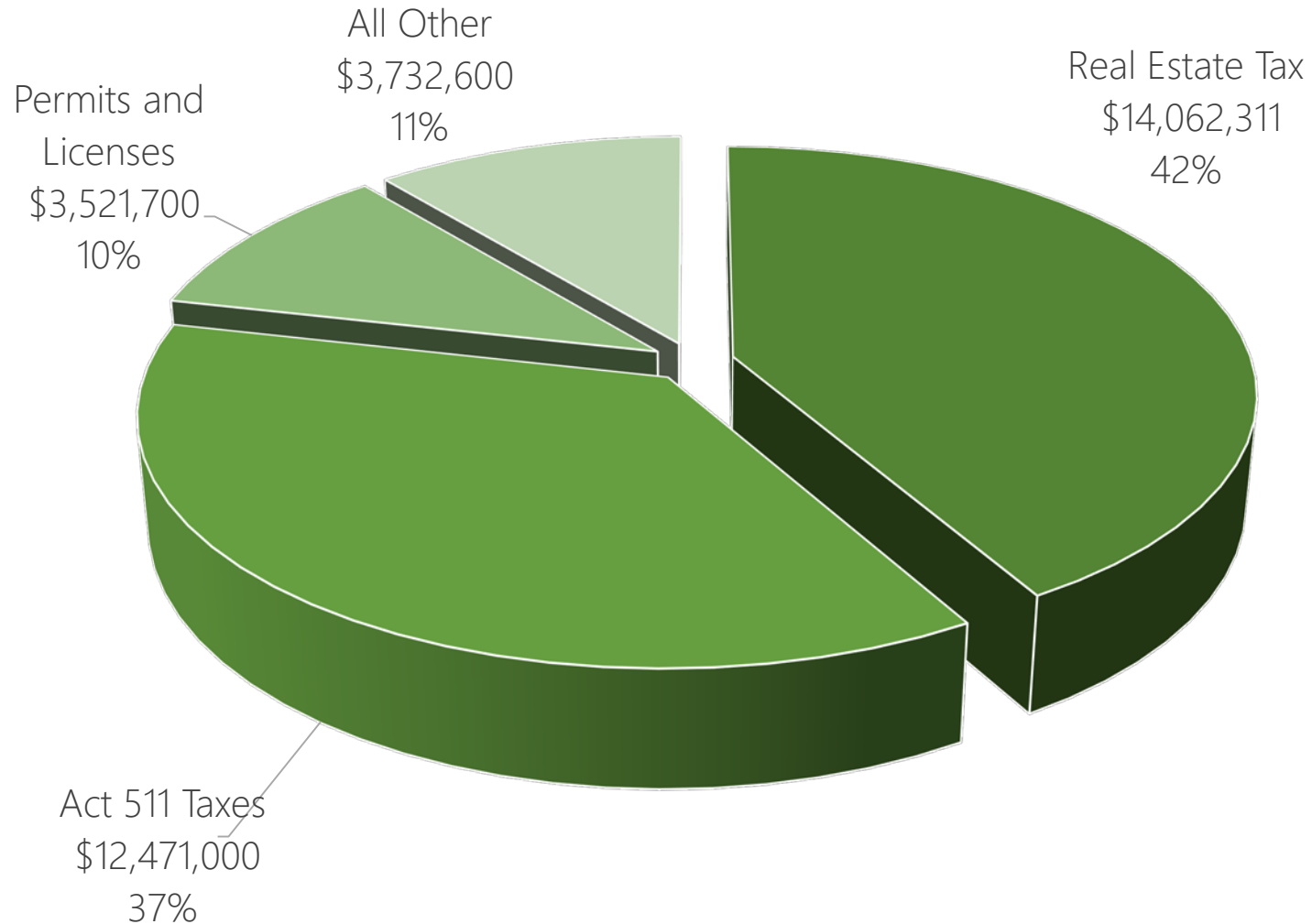
The background of the slide is a blurred image of a university campus. On the left, there is a large, multi-story building with a prominent arched entrance. In the foreground, several cars are visible on a road. On the right side, there is a large, circular seal or crest, which is also blurred. The overall scene is out of focus, emphasizing the text in the center.

Major Revenue Assumptions

Unprecedented Times, Unprecedented *Performance*



GENERAL FUND REVENUE MAKEUP - 2021



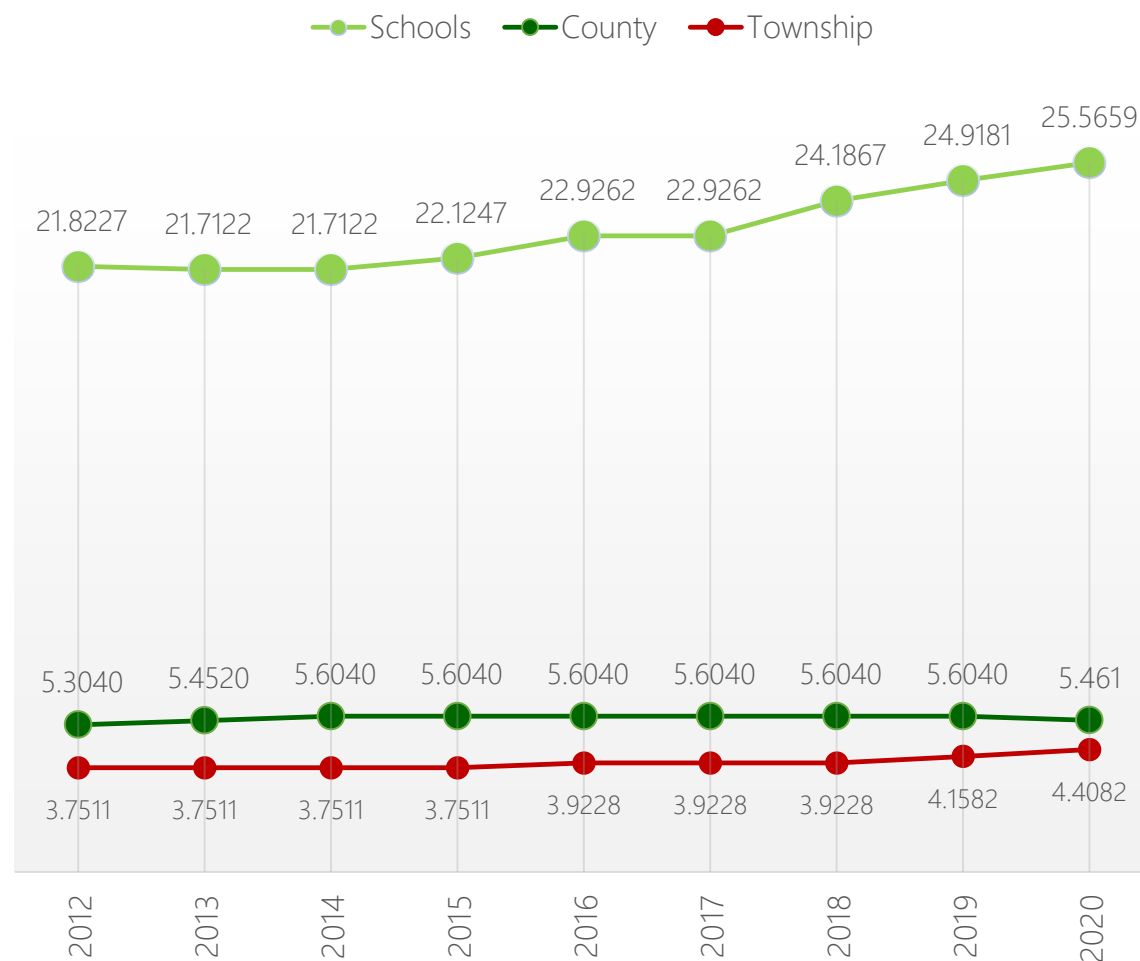


RADNOR REAL ESTATE TAX RATE SUMMARY

Township Millage Rate History

Year	Ops	Debt	Total	%Δ
2012	3.7511	-	3.7511	-
2013	3.7511	-	3.7511	0.0%
2014	3.7511	-	3.7511	0.0%
2015	3.7511	-	3.7511	0.0%
2016	3.7511	0.1717	3.9228	4.6%
2017	3.7511	0.1717	3.9228	0.0%
2018	3.7511	0.1717	3.9228	0.0%
2019	3.9865	0.1717	4.1582	6.0%
2020	4.2365	0.1717	4.4082	6.0%

Overlapping Millage Rates





COUNTY REASSESSMENT UPDATE ***DRAFT***

	2020 Assessed Value	2021 Assessed Value	Delta
Commercial	\$ 649,662,371	\$ 997,398,550	53.53%
Exempt	\$ 468,776,730	\$ 766,415,390	63.49%
Ground	\$ 78,291,340	\$ 136,099,490	73.84%
PURTA	\$ 1,211,880	\$ 1,371,440	13.17%
Residential	\$ 2,532,258,959	\$ 5,182,670,070	104.67%
Grand Total	\$ 3,730,201,280	\$ 7,083,954,940	89.91%

Shows the **DRAFT** assessed values by classification. Only Commercial, Ground, and Residential are taxable (PURTA is public utilities)

Row Labels	Radnor Tax Pre-Reassessment	Radnor Tax Revenue Neutral	Sum of RadnorDeltaDollar	Average of RadnorDeltaPercent
Commercial	\$ 2,863,830	\$ 2,315,261	\$ (548,569)	-19.16%
Exempt	\$ 2,066,463	\$ 1,779,083	\$ (287,380)	-13.91%
Ground	\$ 345,050	\$ 315,896	\$ (29,154)	-8.45%
PURTA	\$ 5,342	\$ 3,183	\$ (2,159)	-40.42%
Residential	\$ 11,162,690	\$ 12,030,516	\$ 867,826	7.77%
Grand Total	\$ 16,443,375	\$ 16,443,939	\$ 564	0.00%

Example *Revenue Neutral* millage calculation for Radnor Township: From 4.4082 mills to 2.3213

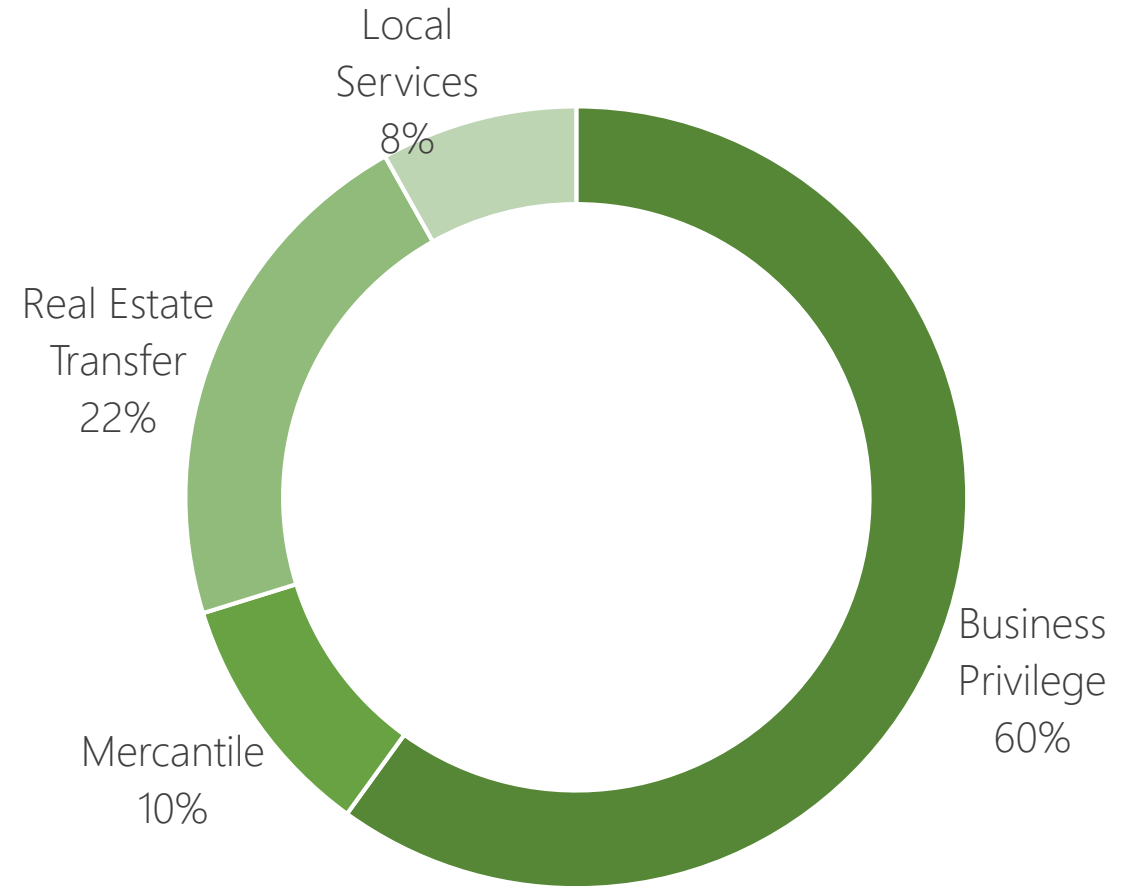
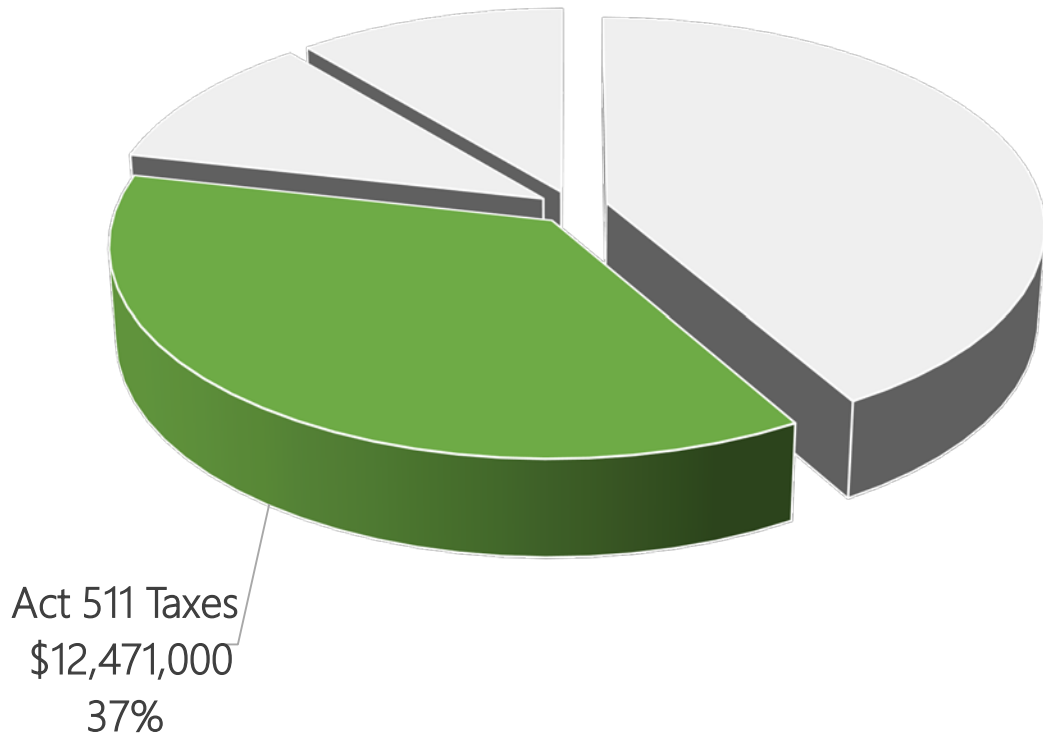
Significant shift from Commercial to Residential

Source: Delaware County Data.
 Note: 2021 Assessed Values are not final / subject to change





GENERAL FUND REVENUE | ACT 511

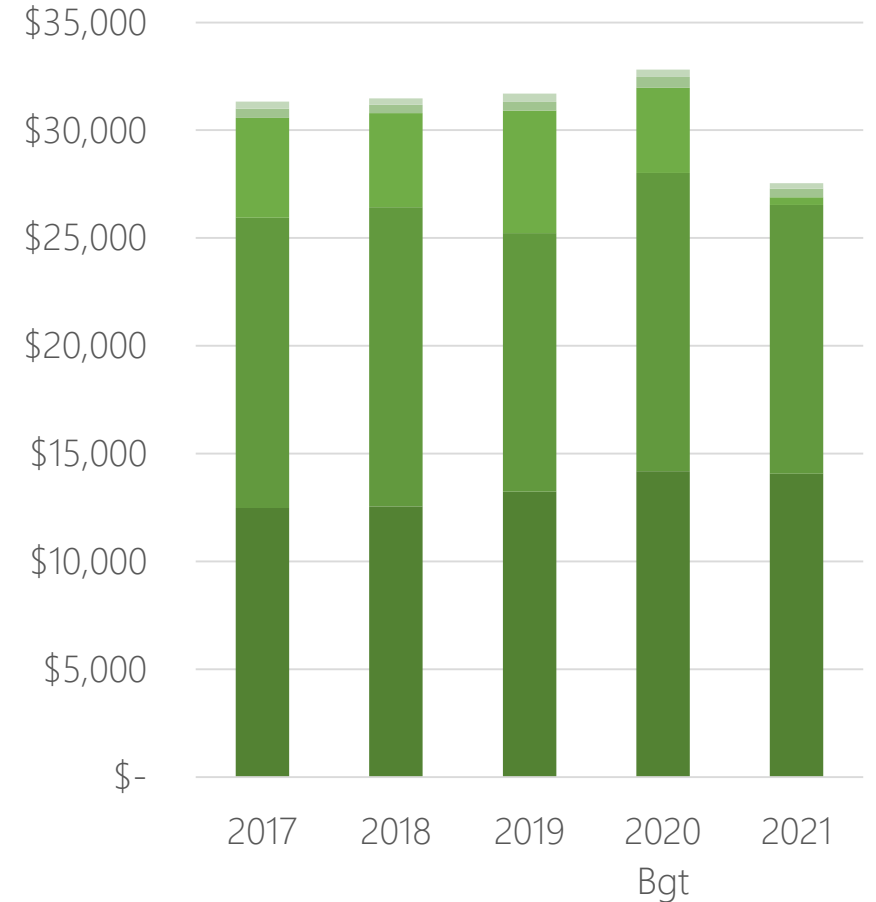




GENERAL FUND REVENUE SUMMARY

Revenue	2017 Actual	2018 Actual	2019 Actual	2020 Revised Budget	2020 Actual To Date	2021 Township Manager Budget
01 - REAL ESTATE TAX	(12,474,657)	(12,557,190)	(13,230,107)	(14,181,688)	(13,469,516)	(14,062,311)
02 - ACT 511 ENABLING TAX	(13,461,731)	(13,869,100)	(12,001,480)	(13,839,000)	(10,056,925)	(12,471,000)
03 - LICENSES & PERMITS	(4,629,018)	(4,361,919)	(5,679,995)	(3,947,750)	(2,232,123)	(3,521,700)
04 - FINES AND COSTS	(439,378)	(395,207)	(402,450)	(496,000)	(178,105)	(401,000)
05 - INTEREST AND RENTS	(328,308)	(286,547)	(379,253)	(350,000)	(203,584)	(250,000)
06 - GRANTS AND GIFTS	(1,501,573)	(1,430,847)	(1,530,325)	(1,524,220)	(1,292,918)	(1,409,220)
07 - DEPARTMENTAL EARNING	(1,466,091)	(1,437,764)	(1,645,962)	(1,550,000)	(645,901)	(1,531,400)
10 - REFUNDS AND MISCELLA	(218,763)	(261,851)	(122,095)	(242,000)	(168,251)	(111,500)
11 - DEBT PROCEEDS	-	-	-	-	-	-
98 - INTERFUND TRANSFERS	-	(640,019)	(29,480)	(29,480)	-	(29,480)
TOTAL REVENUES	\$(34,519,520)	\$(35,240,444)	\$(35,021,147)	\$(36,160,138)	\$(28,247,322)	\$(33,787,611)

Total General Fund Revenue
By Category





Major Expenditure Assumptions

Unprecedented Times, Unprecedented *Performance*



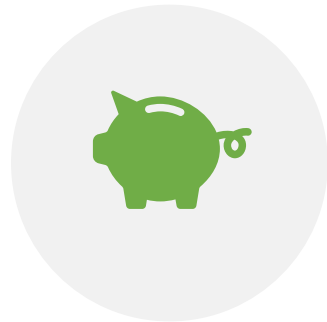
Major Expenditure Assumptions

Payroll and Related



Staffing Levels

Set at headcount levels as included with the 2018 Reorganization (with 2020 amendment) Approved by the Board of Commissioners



Wages

Includes increases of 2.75% for both the RATE and FOP union members as collectively bargained. For non-union civilian the budget includes up to +2.75% depending on performance at the discretion of the Township Manager



Healthcare

No increase over 2020 (confirmed by DVHIT)



Pension

MMO increase of \$352,000 as included in the September resolution



OPEB

No OPEB Funding is included due to revenue shortfalls

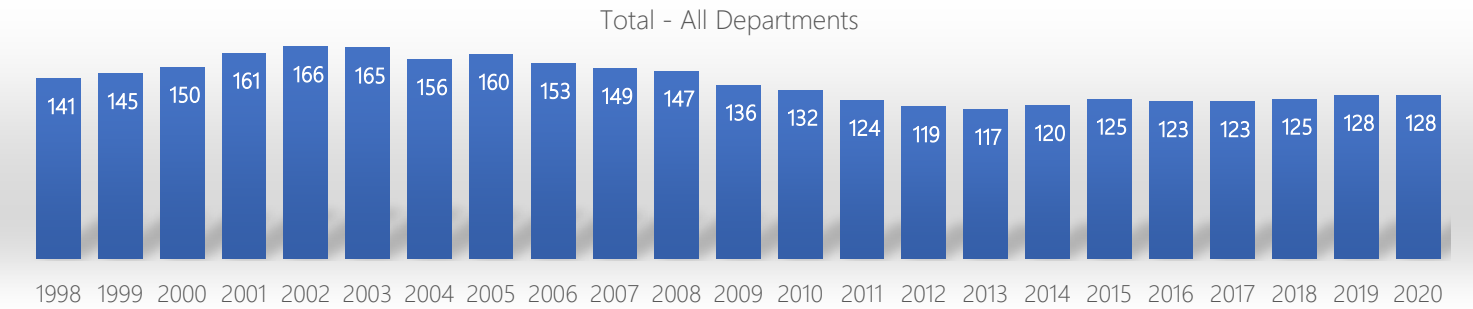
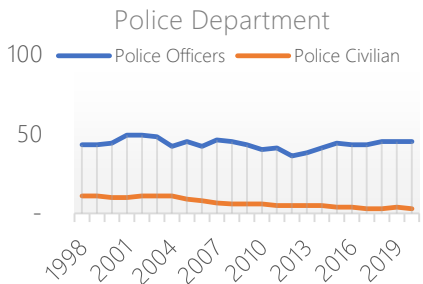
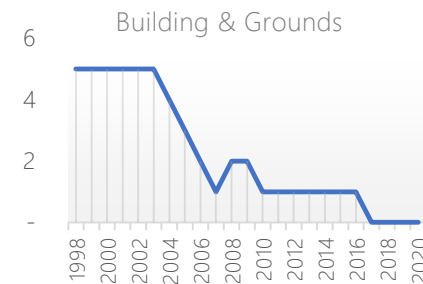
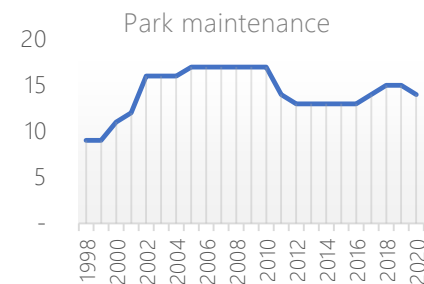
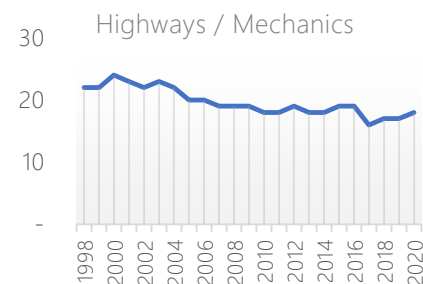
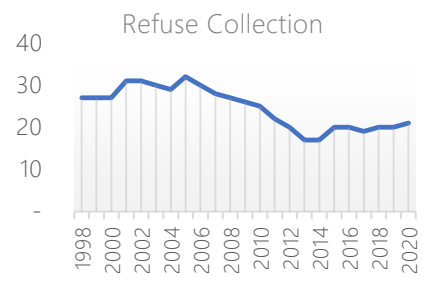
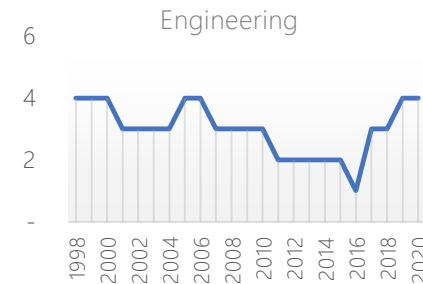
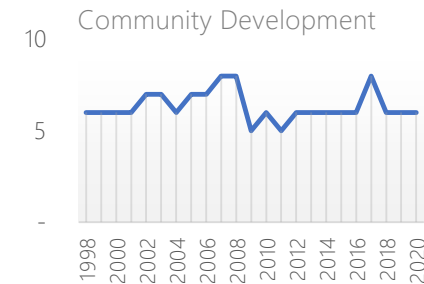
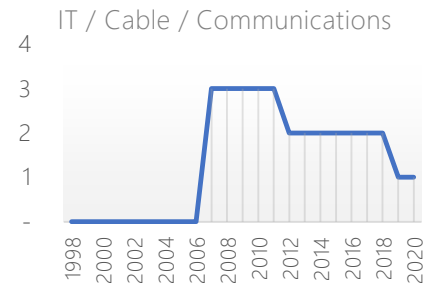
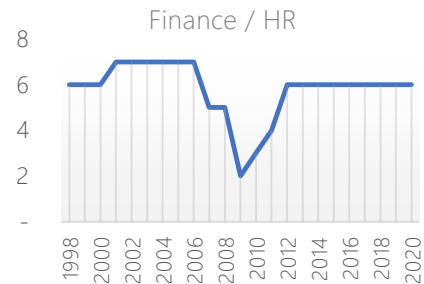
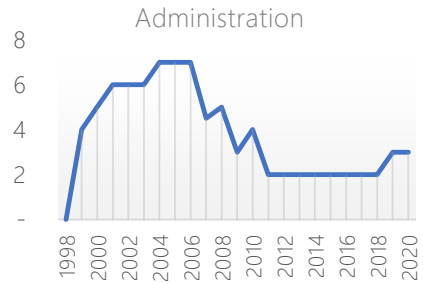
The OPEB Funding plan will need to be reevaluated in terms of sustainability during times of business tax downturns





MAJOR EXPENDITURE ASSUMPTION | STAFFING

Departmental Full Time Head Count from 1998 – 2020





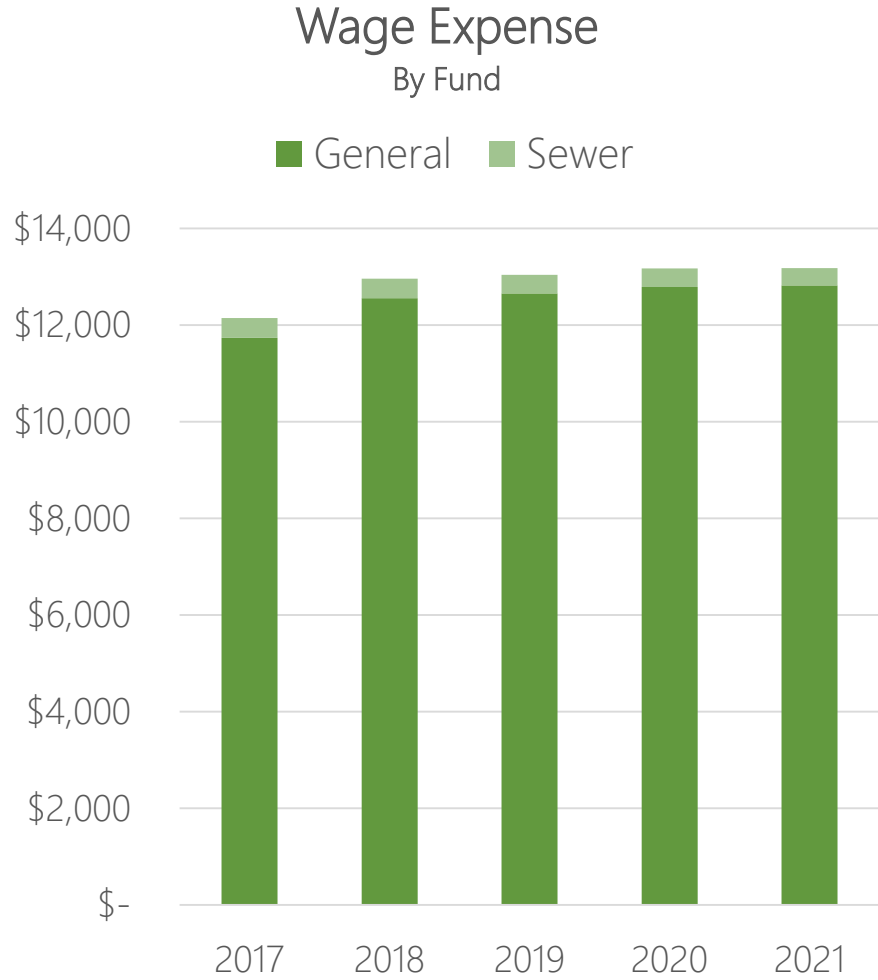
MAJOR EXPENDITURE ASSUMPTION | WAGES

Fund	2017	2018	2019	2020	2021
General	\$11,731	\$12,556	\$12,650	\$12,788	\$12,819
Sewer	410	403	390	380	354
Total	12,141	12,959	13,040	13,168	13,173

Amounts in 1,000's

Highlights:

- 2020 still assumes full staffing, from January 1, as "worse case". Will come in under that amount.
- 2021 assumes full staffing, from January 1





MAJOR EXPENDITURE ASSUMPTION | PENSION

Fund	2017	2018	2019	2020	2021
General	\$4,128	\$3,985	\$4,006	\$3,909	\$4,256
Sewer	47	35	36	26	28
Total	4,175	4,020	4,042	3,935	4,284

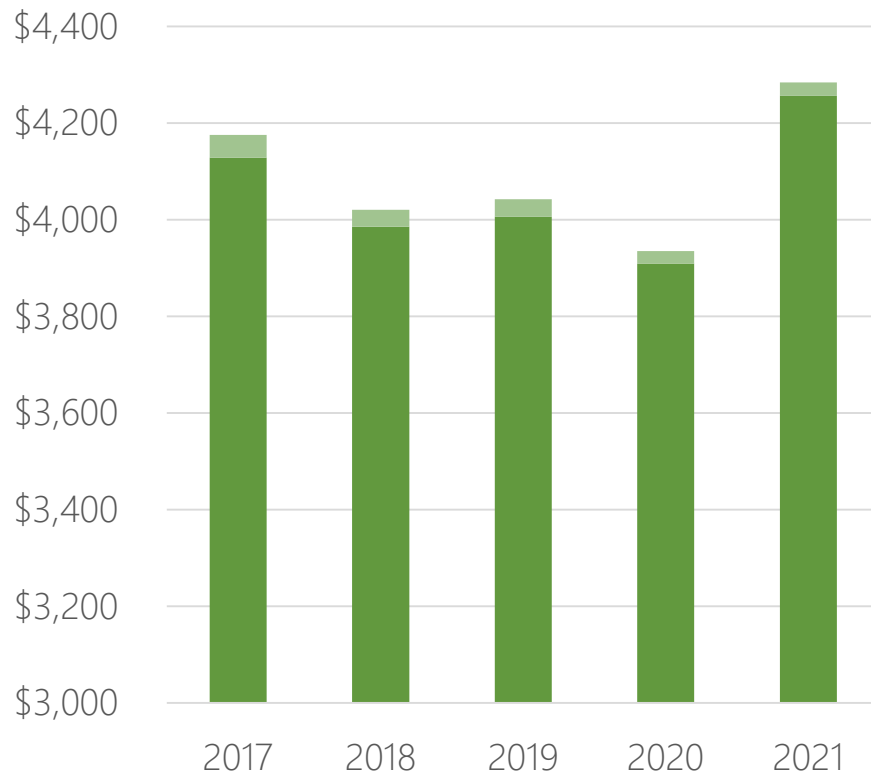
Amounts in 1,000's

Highlights:

- Reduction in recent years due to actuarial gain recognition
- As discussed in September, the increase in 2021 is realizing actuarial losses from investment returns less than anticipated in 2018/2019

Pension Expense
By Fund

■ General ■ Sewer





MAJOR EXPENDITURE ASSUMPTION | DEBT

Fund	2017	2018	2019	2020	2021
General	\$2,991	\$3,091	\$3,015	\$3,022	\$3,023
Sewer	344	347	338	820	825
Sp. Assmt	46	46	45	38	38
Park & OS	1,244	1,026	1,027	1,017	1,024
RFC / WAC	111	30	30	70	70
Total	4,736	4,539	4,455	4,967	4,980

Amounts in 1,000's

Highlights:

- Amounts include refunding of 2012 Bonds

Debt Service Expense

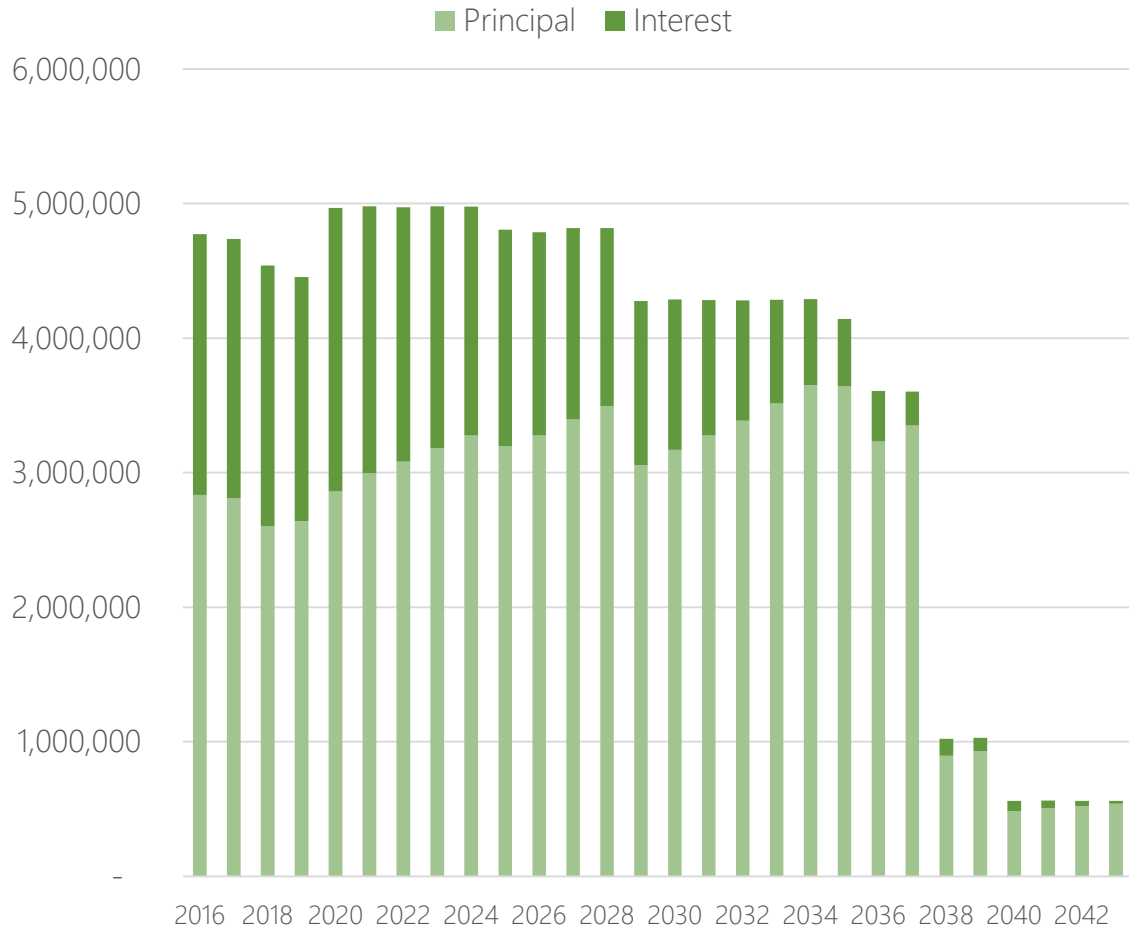
By Fund



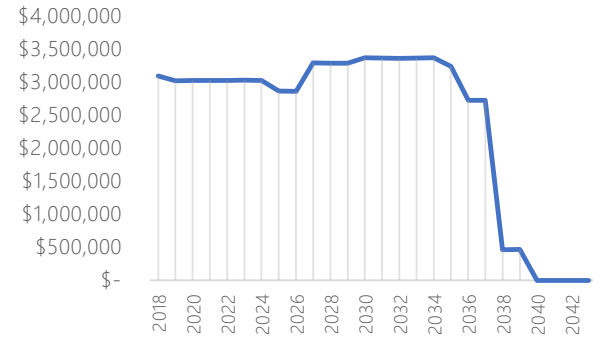


MAJOR EXPENDITURE ASSUMPTION | DEBT

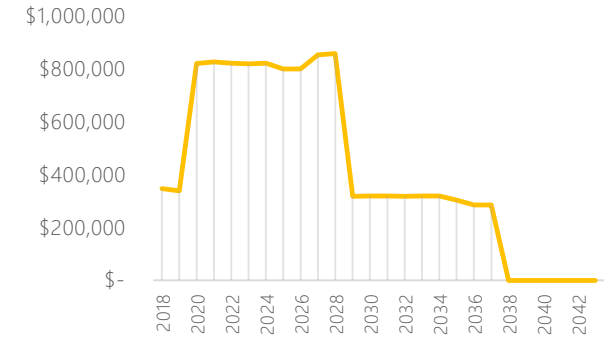
Annual Debt Service Expense Full Portfolio



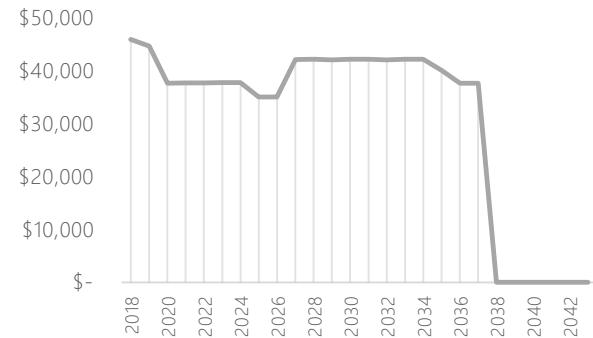
Net General Fund Total



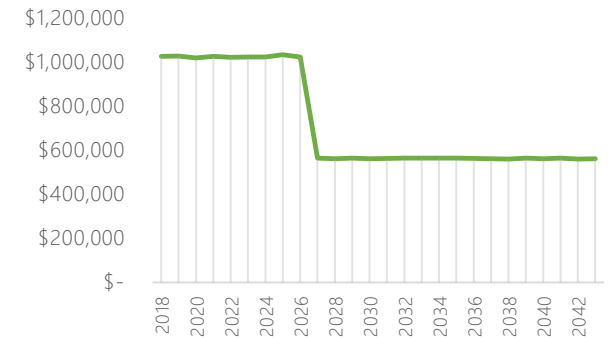
Sanitary Sewer Fund



Special Assessment Fund



Park & Open Space Fund





GENERAL FUND EXPENDITURE SUMMARY

	2017	2018	2019	2020 Budget	2020 To-Date	2021
40 - WAGES & COMPENSATION	11,730,844	12,555,937	12,650,189	12,788,192	9,663,616	12,819,228
41 - PAYROLL LIABILITIES	8,392,860	8,344,667	8,635,450	9,593,475	4,410,794	10,105,234
42 - EMPLOYEE DEVELOPMENT	40,650	51,628	49,186	59,255	39,905	72,900
43 - SUPPLIES & MATERIALS	413,637	441,798	399,960	495,777	199,435	412,350
44 - CONTRACT SERVICES	3,798,032	4,267,472	3,581,966	5,058,407	2,554,488	3,568,590
45 - UTILITIES	547,594	637,465	610,684	669,093	506,971	646,650
46 - FLEET	408,668	490,984	431,484	564,568	267,039	471,600
47 - COMMUNITY ORGS	1,800,803	2,015,587	2,198,612	2,469,305	2,207,668	2,440,805
48 - CAPITAL OUTLAY	5,275	54,061	98,221	56,828	20,273	53,220
49 - DEBT SERVICE	4,129	3,771	3,299	5,000	3,771	4,000
50 - MISCELLANEOUS	26,714	40,800	34,937	39,207	21,176	25,000
99 - INTERFUND TRANSFERS	7,288,090	6,512,521	5,830,778	6,076,741	4,181,265	4,686,491
TOTAL EXPENDITURES	\$34,457,295	\$35,416,690	\$34,524,766	\$37,875,847	\$24,076,401	\$35,306,068

Total General Fund Expenses
By Category





Capital Assumptions

Unprecedented Times, Unprecedented *Performance*



CAPITAL ASSUMPTIONS

Included in Base

Pay-as-you=GO Group



Fleet

The Township has a detailed vehicle replacement plan forecasted out beyond ten years. Fleet vehicles include all of the Police vehicles, Public Works Fleet, and departmental vehicles (Comm Dev, Engineering, etc)



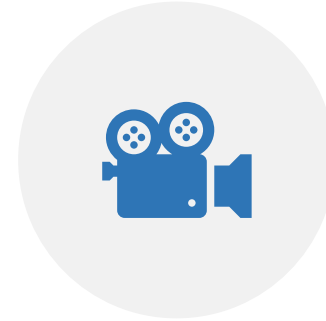
Department Equipment

This group primarily includes the specialized capital equipment used by the Police Department (parking, training, etc.) and the Public Works department (leaf blowers, mowers, smaller equipment used by the Staff)



Information Technology

The Township has a growing IT asset grouping that includes state-of-the-art servers. Additionally, this group includes all the computer, monitor, and other IT related replacement items



PEG

The Township has agreements with Comcast and Verizon whereby funds are received specifically to pay for the equipment needed to broadcast, record, replay and provide taping of all public meetings

[Note that Township gives almost all the money received to Radnor Studio 21]



Facilities (smaller)

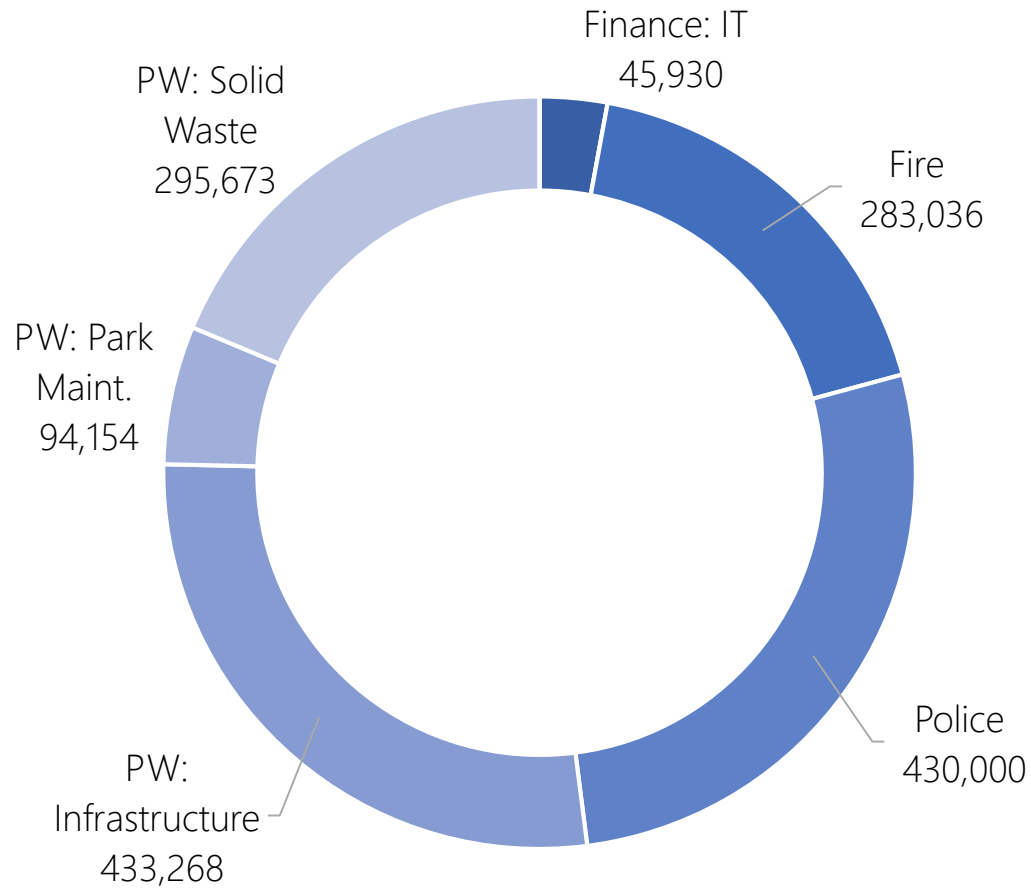
There is a growing need to purchase and install security cameras at various Township owned facilities (buildings, parks, trails, etc.). This group is included with the IT capital, but significant enough to call out separately.





CAPITAL | PAY-GO GROUP

2021 Breakdown



Pay-As-You-Go Group:

- Funded through current year Revenue or short-term capital leasing
- General Fund transfers are set up to move the cash into the Capital Fund to pay for the acquisitions (reported as Capital expense in the General Fund)
- Includes fleet, department equipment and other small departmental equipment items
- Capital Plan transfers forecasted from 2021 – 2025 as follows:





CAPITAL ASSUMPTIONS

Not included in Base

Pay-as-you=USE Group



Roads / Liquid Fuels

The Board adopted a road replacement plan that includes \$1.0 Million per year. Liquid Fuels (State) funds roughly \$850K, with the remaining \$150K from annual revenues.



Infrastructure

This group includes all public assets not specifically itemized in other categories. The Township owns significant amounts of assets that need annual replacement funding. We break this group down further by Signals, Street Lights, Sidewalks, etc.



Parks

The Township has expansive passive and active park and trail facilities that include assets ranging from fields, to paved trails, to playgrounds, restrooms, parking lots, etc. These assets need annual funding for replacement



Sanitary Sewer

A separate fee exists to provide revenue for the replacement and improvement of the sanitary sewer system in Radnor. See that section of the presentation for more details



Stormwater

A separate fee exists to provide revenue for to install flood mitigation projects, Federal clean water mandates, and to maintain / replace stormwater assets already in service throughout the Township





CAPITAL | PAY-USE GROUP

Project Breakdown



Pay-As-You-Use Group | **STILL UNFUNDED**

- Develop long-term, strategic goals
- Identify specific projects that align with goals
- Prioritize projects and fund accordingly
 - Balance annual revenue (i.e. specific capital millage) with long-term borrowing program
 - Set policy on P3's, developer offsets, grants, etc. to assist with project funding

	2020	2021	2022	2023	2024
Facilities	707,600	1,521,280	275,000	50,000	-
Infrastructure	498,725	170,000	170,000	410,000	2,113,500
Parks	1,278,300	710,000	46,000	70,000	100,000
Sidewalks	1,062,740	-	30,000	431,440	-
Trails	1,426,000	-	-	-	4,710,400
WBA	-	250,000	250,000	4,784,000	-
Streetlights	101,240	-	-	-	-
Non-Twp Facilities	-	422,500	3,225,000	-	-
Total	5,320,105	3,073,780	3,996,000	5,745,440	7,201,400





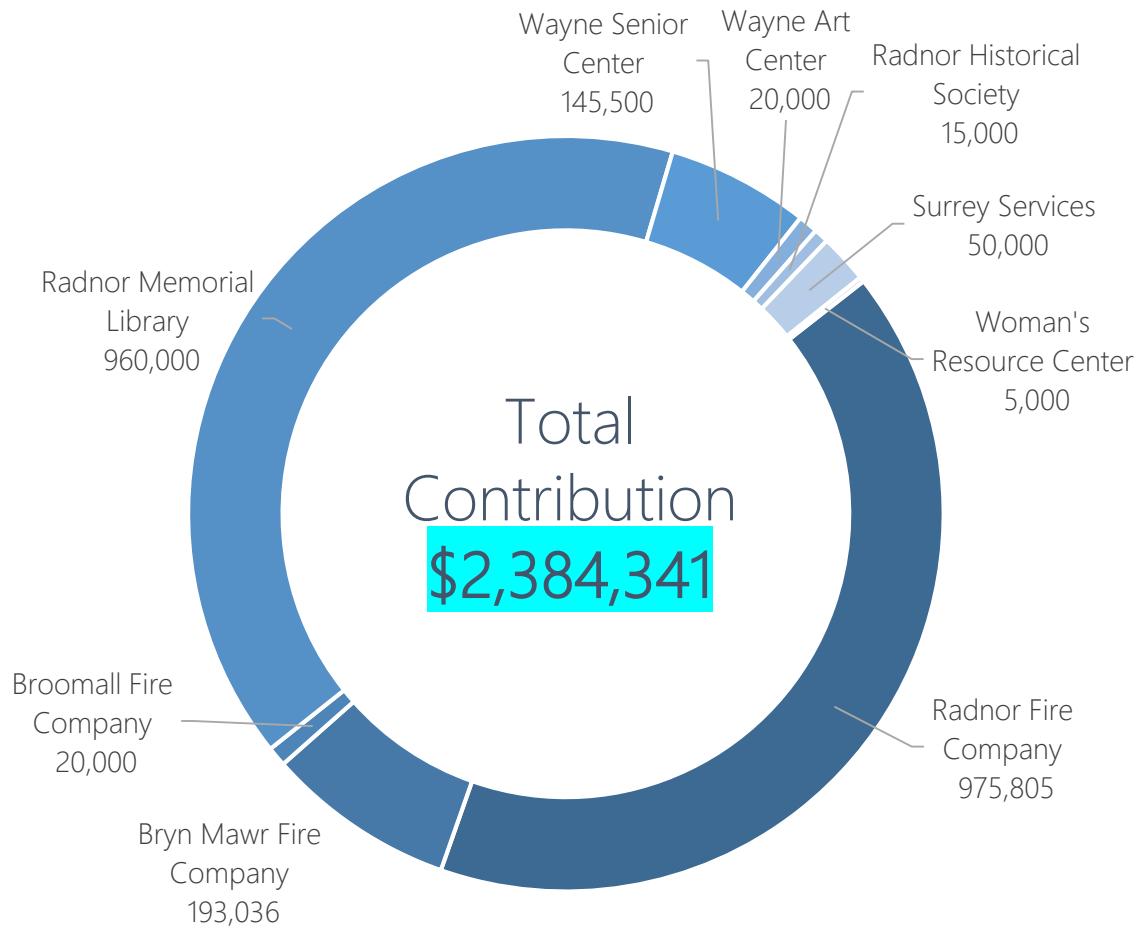
Community Organizations

Unprecedented Times, Unprecedented *Performance*



OUTSIDE ORGANIZATION FUNDING SUMMARY

2021 Proposed Contribution Breakdown



Funding Request Forms

- New for 2021 budget
- Forms were sent to each of the entities. Their responses will be shared tomorrow.
- The table below shows how much the Township provided in 2020, how much the entity requested for 2021, and what we've included in the Township Manager's recommended budget

	2020 Amount Provided	2021 Request	Amount Proposed
Radnor Fire Company ¹	975,805	975,805	975,805
Bryn Mawr Fire Company ¹	193,036	n/a	193,036
Broomall Fire Company	10,000	20,000	20,000
Radnor Memorial Library	960,000	960,000	960,000
Wayne Senior Center	145,500	145,500	145,500
Wayne Art Center	17,500	20,000	20,000
Radnor Historical Society	15,000	13,600	15,000
Surrey Services	50,000	50,000	50,000
Woman's Resource Center	5,000	n/a	5,000





Next Steps

Unprecedented Times, Unprecedented *Performance*



NEXT STEPS

Budget Decisions and Adoption Schedule

Special BOC Meeting

October 19

- Township Departments to present their program / service offerings, highlights and requests for 2021
- Present outline of 2021 major budget assumptions and results

Public Hearings

November 9 and 23

(potentially the 16 and 30, if needed)

- Board to hear from Public on topics
- Board to begin making decisions on the following major items (at a minimum)
 - 2021 Real Estate Tax Rate
 - 2021 Sewer Rent Rate
 - 2021 Stormwater Fee (Based on plan)
 - New Position / Program Requests

Budget Adoption

November / December 2020

- November 23, 2020 | Introduce 2021 Budget Ordinance (including tax and fee rates)
- December 14, 2020 | Adopt 2021 Budget and Fee Ordinances along with accompanying legislation (wage and salary, any policy(ies), etc.)





THANK YOU

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