

**WEST PIKELAND
TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA
2008 BUDGET**

REVENUES

2008 PROPOSED REVENUES for WEST PIKELAND TOWNSHIP

REAL ESTATE TAX

ACCOUNT NUMBERS: 301.100, 301.400 AND 301.600

ACCOUNT DESCRIPTION

The Real Estate taxes are authorized under Section 3205 of the Second Class Township Code. The Board of Supervisors may levy taxes upon real property within the Township made taxable by the Tax Duplicate prepared by the Chester County Tax Assessor's office. It is the responsibility of the County to provide the assessed valuation of the properties within the Township. In 1998 a new countywide re-assessment was completed. The assessed valuation is now based on 100% of the market value.

The supervisors are limited to a maximum of 14 mills for road, bridge and general township purposes. An additional 5 mills may be levied with approval of a petition by the county court of quarter sessions.

For budgeting purposes the real estate taxes are credited to three (3) accounts, 301.100 for current year taxes, 301.400 for delinquent taxes collected by the County and submitted to the Township, and 301.600 for interim taxes collected for new construction and increased assessments during the year.

PROJECTION

The 2007 Real Estate Assessments are \$403,694,470 and \$93,070 on public utility properties.

The real estate tax is proposed to remain at **0.125** mills for 2008

Interim taxes are not anticipated because there are minimal un-built, approved lots in the township. Any developments approved in 2008 will more than likely not generate real estate taxes until 2009.

301.000	REAL PROPERTY TAXES	Actual 2006	Actual 2007	2008 Budget
301.100	Real Estate Taxes - Current Yr.	\$37,483.79	\$42,444.69	\$45,000
301.400	Real Estate Taxes - Delinquent	\$22,61.5	\$1,256.59	\$1,500
301.600	Real Estate Taxes - Interim	0	0	\$0
	Total Real Property Taxes	\$39,745.29	\$43,701.28	\$46,500

ACT 511 TAXES

REAL ESTATE TRANSFER TAX

ACCOUNT NUMBER: 310.100

ACCOUNT DESCRIPTION

The Real Estate Transfer Tax is authorized under the Local Tax Enabling Act (Act 511). The tax is on all real estate sold within the Township. The amount of the tax is 1% equally divided between the Township and the Downingtown Area School District. The tax is collected by the Chester County Recorder of Deeds office at the time that the transfer of ownership is recorded. The Recorder's office charges 2% of the taxes collected as a collector's commission. The funds are distributed to the Township on a monthly basis.

PROJECTION

The main source of transfer taxes in 2008 will be from the resale of houses within the township since a minimum of new homes will be constructed.

EARNED INCOME TAXES

ACCOUNT NUMBERS: 310.210, 310.220 and 310.230

ACCOUNT DESCRIPTION

The Earned Income Taxes are authorized under the Local Tax Enabling Act (Act 511). The municipality is permitted to enact a tax up to 1% of the earned income. If the local school district also adopts an earned income tax, one-half of the 1% goes to the municipality and one-half to the school district. West Pikeland Township and the Downingtown Area School District share in the earned income tax collected from residents of the Township, while the Township receives the full 1% of any person working in West Pikeland and living in a municipality which has not adopted an earned income tax. Berkheimer Associates are employed as collectors of the tax.

For budgeting purposes the earned income tax is credited to two accounts, 310.210 for current year taxes and 310.220 for prior year taxes. This is necessary since last quarter taxes for 2007 will not be received until 2008.

In addition, the Open Space Tax Referendum passed in the 2007 November election. Therefore, an additional one quarter of one percent (0.025) will be added to the earned income tax for Open Space purchases.

PROJECTION

Due to minimal population growth anticipated in the township for 2008 the amount of earned income taxes received will remain at or just above the 2007 level. Real Estate and EI Taxes collected in 2008 are proposed to be less than what was collected in 2007 due to a downturn in the economy. The Open Space tax is anticipated to generate \$550,000 annually.

310.000	Act 511 Taxes	Actual 2006	Actual 2007	2008 Budget
310.100	R.E. Transfer Taxes	\$ 178,6321.95	\$ 215,392.43	\$185,000
310.210	Earned Income Tax - Current Yr.	\$1,147,570.15	\$1,362,220.15	\$1,175,000
310.220	Earned Income Tax - Prior	0	0	0
310.230	EIT-Special Open Space Tax			\$550,000
	Total Act 511 Taxes	\$1,325,892.10	\$1,577,612.58	\$1,910,000

LICENSES & PERMITS

ACCOUNT NUMBERS: 321.450, 321.600, 321.800, 322.820

ACCOUNT DESCRIPTION

The Township receives from the State Liquor Control Board \$200 for each liquor license within the Township.

In 2007 the township enacted a regulation requiring the licensing of building, plumbing and electrical contractors working within the township. This does not raise much revenue, but will allow the township to track the holders of building permits and the work performed pursuant to that permit.

In 2006 the township entered into a cable franchise agreement with Verizon to permit the use of the township right-of-ways for cable TV lines. Verizon joined Comcast in providing cable TV in West Pikeland. Under both agreements the township receives a percentage of the cable revenue generated in the township as a franchise fee. This fee is a portion of each customer's monthly bill.

Street Encroachment Permits are required for any openings made within the right-of-way of a township street. This includes any public utility or a property owner that proposed to connect a driveway or new street to an existing township street. If this type of work is proposed to a state maintained road, this permit must be obtained from PennDOT.

PROJECTION

Liquor Control Board fees should remain the same as in 2007.

The Board of Supervisors adopted Resolution No. 2007-01-08 which requires all Contractors to be licensed in West Pikeland Township. Licenses run from January 1 to December 31 each year and are renewable.

The Cable TV Franchise Fee will only increase as additional residential units are constructed in the Township. The fact that two companies are now providing this service will have minimal effect on township revenues as few residents will obtain the service from both companies.

Street Encroachment Permits are anticipated to remain at the 2007 level.

320.000	Licenses & Permits	Actual 2006	Actual 2007	2008 Budget
321.450	Liquor Control Board Fees		\$200.00	0
321.600	Contractors License	\$150.00	\$10,475.00	\$9,000
321.800	Cable TV Franchise	\$45,316.94	\$35,346.21	\$27,000
322.820	Street Encroachment Permits	0	\$150.00	\$200
	Total License & Permits	\$45,466.94	\$46,171.21	\$36,200

FINES

ACCOUNT NUMBERS: 331.100, 331.110, 331.120, 331.130

ACCOUNT DESCRIPTION

Portions of the non-vehicle code fines assessed by the local district justice for violations that occur within West Pikeland are distributed to the Township monthly. Vehicle Code violation fines are distributed semi-annually, on June 30th and December 30th, from Harrisburg, to all municipalities based on the miles of municipal roads and population.

PROJECTION

Since the amount of fines received is based on the activity of the police departments, fines for 2008 are projected to increase with the increased population and particularly the increased traffic in the Township.

330.000	Fines & Forfeits	Actual 2006	Actual 2007	2008 Budget
331.100	Fines from District Justice	0	\$ 45,015.33	\$40,000
331.110	Vehicle Code Fines from State	\$16,198.37	\$ 4,568.40	\$4,000
331.120	Fines -Local Ordinances	\$62,131.01	\$2,753.94	\$5,000
331.130	Court Restitution & Misc. Fines	0	\$7,563.10	\$7,000
331.140	Forfeitures		\$502.00	
	Total Fines & Forfeits	\$78,329.38	\$60,402.77	\$56,000

INTEREST EARNED

ACCOUNT NUMBERS: 341. 100 and 341.120

ACCOUNT DESCRIPTION

Section 708 of the Second Class Township Code requires all Township funds to be placed in a banking institution within the Commonwealth and that such funds must be insured by the Federal Deposit Insurance Corporation or other similar corporations of the Federal government. If funds in any account exceed the amount insured by the FDIC, the banking institution must pledge securities to protect the Township against any loss of funds. All West Pikeland Township funds are placed in interest bearing accounts or certificate of deposits with local banks; Nova Saving and DNB First. Berkheimer Association makes direct deposit of taxes collected into Nova Savings.

The Manual of Accounting and Related Financial Procedures for Pennsylvania Municipalities requires the Township to segregate funds into separate accounts. While the funds may be co-mingled into one bank account, financial records must be kept for each separate account.

341.000	Interest Earnings	Actual 2006	Actual 2007	2008 Budget
341.100	Interest - General Accounts	\$13,634.19	\$29,568.71	\$24,000
341.120	Interest - Liquid Fuels Acct.	488.46	9,582.12	\$8,000
341.000	Interest Earnings – escrow & other	0	4,020.11	\$3,500
341.XXX	Interest from Open Space Account			\$20,000
	Total Interest Earnings	\$14,122.65	\$43,170.94	\$55,500

RENTS

ACCOUNT NUMBERS – 342.000

ACCOUNT DESCRIPTION

Since 2007 rent received from each township rented property is recorded separately in order for a clear record to be maintained for each property. Rent from township land includes the properties rented for farming purposes. Rent for the Theatre and Meeting Room are required if the room is used by a non-governmental group or a non-profit that is not located in West Pikeland Township. In 2006, rent was recorded in one account.

342.000	Rents	Actual 2006	Actual 2007	2008 Budget
342.100	Rent of Twp. Land	\$21,900	\$2,040.00	\$2,000
342.210	Rent from Palmer House	0	10,200.00	\$10,200
342.220	Rent from Gate House	0	10,200.00	\$10,200
342.230	Rent from Theatre Facility	0	750.00	\$9,000
342.240	Rent from Twp. Meeting Room	0	100.00	\$1,000
342.250	Miss Betty Day Camp	0	10,000.00	\$10,000
342.260	Donations	0	650.00	0
	Total Rents	\$21,900.00	\$ 33,940.00	\$42,400

INTERGOVERNMENTAL REVENUES

ACCOUNT NUMBERS: 350.000

ACCOUNT DESCRIPTION

Intergovernmental revenues are received from various Federal, State and County programs. Act 655 provides all municipalities with a portion of the State Liquid Fuels (gasoline) Tax. The allocation is based on mileage of township-maintained roads and population. This revenue must be used for road and street maintenance and improvements, and must be maintained in a separate fund, the State Highway Fund.

Under the provisions of the Public Utility Realty Tax Act utility realty tax equivalent to municipal and school board tax are distributed by the State. The allocations are based

on the Township's total tax receipts ratio to the receipts of all municipalities and the aggregate amount of realty taxes which would be imposed on utilities if they were not exempt of local taxes.

The Township receives an allocation from the State Foreign Fire Insurance Fund. The State collects a tax on fire insurance which is written by a company from outside of the State. The allocation is based on the Township's population and the market value of the real estate in the Township. This money can only be used for the benefit of the fireman's relief association which services the Township.

The first year that West Pikeland was eligible to participate in the State program for assistance towards the Police Pension Program was 2006. This should continue as long as the Township provides a Police Pension.

Also included under this account are special grants. An application must be made and granted for individual projects. Grants of this type are explained below.

PROJECTION

Special grants anticipated in 2008: None anticipated.

350.000	Intergovernmental Revenues	Actual 2006	Actual 2007	2008 Budget
351.350	FEMA Grant – 2006 June Storm	48,064.33	3,577.00	\$8,600
354.070	Cultural Center Improvement Grant	18,000.00	6,250.00	\$0
354.090	DCNR Grant – Windolph Knoll			\$15,000
354.110	Arts Grant (Chester Springs Std)	\$3,320.00	\$1,320.00	\$2,000
354.150	Act. 101 Recycling Grant	629.01	1,939.38	\$2,000
355.010	Public Utility Realty Tax	2,257.23	2,016.20	\$2,000
355.020	Liquid Fuels Tax	91,443.66	94,678.84	\$104,500
355.040	Alcoholic Beverage License	400	0	\$200
355.060	Pension Assistance	18,531.13	25,651.12	\$27,000
355.070	Foreign Fire Insurance Tax	44,704.23	0	\$44,000
355.080	Regional Police	0	68,981.97	\$50,000
355.090	Horseshoe Trail – DCED Grant		10,000.00	
	Total Intergovernmental Revenue	\$226,949.59	\$214,414.51	\$255,300

CHARGES FOR SERVICES

ACCOUNT NUMBER: 360.000

ACCOUNT DESCRIPTION

Revenues in this account are derived from services provided by the Township, i.e., building inspection fees and subdivision and land development review fees. The fees charged compensate the Township for the cost of the service provided and are not to generate funds for any project not related to the fee.

PROJECTION

An increase in permit and other fees is anticipated for 2008 which will generate sufficient revenue to offset code enforcement expenditures and administrative costs.

360.000	Charges for Service	Actual 2006	Actual 2007	2008 Budget
361.310	Subdivision & Land Develop. Fees	\$1,461.08	\$ 40,464.74	\$22,000
361.320	S&LD Plan Review Fees	0	0	\$2,000
361.340	Zoning Hearing Fees	4500	95.00	\$2,000
361.350	Soil & Erosion Permits	100	0	\$500
361.500	Sale of Maps & Publications	3,217.75	1,473.00	\$1,500
361.550	Finance Charges		262.23	
361.560	Charge for Photocopies	0	251.00	\$250
361.990	Miscellaneous Fees & Permits	268.42	603.20	\$700
362.110	Police Reports Charge	735.00	860.00	\$1,000
362.410	Building Permit Fees	37,575.55	49,448.75	\$75,000
362.510	Electrical Permit Fees	-	4,515.00	\$5,000
	Total Charge for Services	\$4,7857.80	\$97,972.92	\$109,950

MISCELLANEOUS REVENUES

ACCOUNT NUMBER: 380

ACCOUNT DESCRIPTION

This account receives any funds which the Township does not designate in any other account.

380.000	Miscellaneous	Actual 2006	Actual 2007	2008 Budget
367.200	Spectator Recreation/Ticket Sales	0	\$8,864.97	\$5,000
378.500	Fire Hydrant Charges	\$8,743.09	1,172.29	\$8,000
394.100	Refund of Bank Charges	0	75.00	\$0
395.100	Refund of Prior Yr. Expenditures	9,515.29	4,422.43	\$5,000
395.110	Eng'g, Legal Fee Reimbursements			\$21,700
367.210	Sale of Former Township Bldg		336,000	
	Total Miscellaneous	\$18,258.38	\$350,534.69	\$39,700

TOTAL 2008 REVENUES	\$2,551,550
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