



## **TOWNSHIP BUDGET PROCESS & GENERAL BUDGET FACTS**

- The Township Administration presents a recommended annual operational budget to the Township Board of Trustees each January for consideration. This budget proposal is based upon input from all Township departments and includes revenue predictions based on multiple variables, including the market and industry standards.
- The operational budget represents activities from ten funds – General Fund, four separate Road Funds, Cemetery Fund, West Chester Community Television Fund, Police Fund, and Fire and EMS Funds.
- The General Fund includes activities from Administration, Community Development, Community Services, Information Technology, Parks and Senior Van.
- Tax Increment Financing Funds, Project Funds, Debt Service Funds, State Grant Funds and Federal Grant Funds are not considered part of the operational budget.
- The operational budget does not represent individual expenditures or encumbrances, but rather is a detailed illustration of expected expenditures by account code assigned to specific budget priorities which are set by the Board of Trustees.
- Budget projections are based on several factors, including but not limited to expected costs to deliver services, expenditure trends, inflationary influences, contractual obligations and anticipated capital projects. The Township's operational budget is based on need and not on available funding.
- Permanent Appropriations, a function of the Township's capacity to incur expenses, is voted on by Trustees in the first quarter of the year. Permanent Appropriations is a combination of the Township's carryover as determined at year-end, plus the estimated resources as certified by the Butler County Budget Commission and submitted in July of the previous year.
- The operational budget is limited by the Permanent Appropriations which is a function of the previous year's tax budget.
- The tax budget is submitted to the Butler County Budget Commission and when approved leads to the Certificate of Estimated Resources issued by the Butler County Commission.
- Permanent Appropriations will be amended periodically and presented to the Trustees for a vote.

- Encumbrances are the actual assignment of dollar amounts to very specific purchases. There are very strict controls on the expenditure of funds. The Board of Trustees must consider the merits of expenditures/encumbrances greater than \$2,500 in a public forum.
- The transfer of General Fund monies to various Township funds is accomplished throughout the year as resolutions approved by the Board of Trustees.
- The Township has no mechanism for collecting taxes. Property taxes are collected by Butler County and then distributed to West Chester Township. Income tax generated from the Township's single Joint Economic Development District is collected by municipal JEDD partner City of Fairfield and then distributed to West Chester Township. The cities of Fairfield and Springdale also receive a portion of these revenues based upon a negotiated agreement.
- Police and Fire are supported primarily by voter-approved levies. Levies can generally support the needs of the department for about five years. The Emergency Medical Service is supported by fees for service, which are primarily paid through insurance providers.
- The Roads Funds receive a portion of property tax collections, but also collect revenues from state and township motor vehicle tax and the gasoline tax.
- The General Fund receives a portion of property taxes, but also collects revenue through the state local government fund, the estate tax, the hotel tax, court fines, zoning fees and liquor permits.
- West Chester Community Television is funded by cable television franchise fees.
- The Cemetery Fund receives funds through purchase of burial plots and is supplemented by the General Fund.
- Nearly 70 percent of the Township's operational budget goes toward Police and Fire/EMS services.
- West Chester Township has a Capital Improvement Plan (CIP) which supports budget planning for larger capital expenses. The CIP represents potential expenses of \$3,500 or more associated with equipment/programming that would enhance operations. Annual costs associated with doing business are not included in the CIP. The CIP represents five years of projected potential expenses. Individual items, after consideration, are incorporated into the operational budget if funding is available and need is demonstrated. Because these expenses are greater than \$2,500, they will be scrutinized by the Board of Trustees individually and acted upon in a public forum.