

2010 Operating Budget

- General Fund
- Roads and Maintenance Funds
- Police Fund
- Fire and EMS Fund



Where Families Grow and Businesses Prosper™

Mission

We provide superb customer service with emphasis on *integrity*, fiscal *responsibility*, and open *communication*

Core Values

Seeking continuous and *measurable improvement* in our services defines us as valued employees of West Chester Township



WEST CHESTER TOWNSHIP FACT SHEET BUDGET PROCESS

TOWNSHIP BUDGET PROCESS & GENERAL BUDGET FACTS

- The Township Administration presents a recommended annual operating budget to the Township Board of Trustees each January for their consideration. This budget proposal is based upon input from all Township departments and includes revenue predictions based on the market and industry standards.
- The operating budget represents activities from nine funds – General Fund, four separate Road Funds, Cemetery Fund, West Chester Community Television Fund, Police Fund, and Fire and EMS Fund.
- The General Fund includes activities from Administration, Community Development, Community Services, Information Technology, Parks and Senior Van.
- The operating budget does not represent individual expenditures or encumbrances, but rather is a broader picture of funds assigned to specific budget priorities which are set by The Board of Trustees. While direction from the Trustees is obtained and controls are applied to ensure their direction is followed, the operating budget does not require a vote and is therefore not the “Official Budget.”
- Budget projections are based on the previous year’s budget projections, not on actual revenues or actual expenses. These actual figures are available too late in the year to be practical in the operating budget planning process.
- West Chester Township has a Capital Improvement Plan (CIP) which supports budgeting for larger capital expenses. The CIP represents potential expenses of \$3,500 or more associated with equipment/programming that would improve efficiencies. 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 operating budget if funding is available and need is demonstrated. As with all expenses greater than \$2,500, they must be scrutinized by the Board of Trustees and acted upon in a public forum.
- The “Official Budget” is the Permanent Appropriations, a function of the Township’s capacity to incur expenses. It 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.

- 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 all expenditures/encumbrances more 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. These typically require two readings.
- The Operating 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 if approved leads to the Certificate of Estimated Resources issued by the Butler County Commission.
- 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 amount collected each year from these levies fluctuates due to property valuations and millage rates. EMS is supported by fees for service.
- The Roads Funds receive a portion of property tax collections, but also collects revenues from state and township motor vehicle tax and the gasoline tax.
- 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 67 percent of the Township's operating budget goes toward Police, Fire/EMS services.
- Tax Increment Financing Funds, Project Funds, Debt Service Funds, State Grant Funds and Federal Grant Funds are not considered part of the operating budget.



**WEST CHESTER TOWNSHIP
ADMINISTRATION
2010 OPERATING BUDGET PRESENTATION**

As responsible stewards of all Township resources, the Board of Trustees and Township staff strive to utilize and expend all Township resources in a wise and fiscally responsible manner.

As is always the case, the Township strategically projects revenues and expends budget conservatively to weather economic challenges and effectively allocates resources for the most critical needs in the organization, while still meeting the expectations of the community in terms of amenities.

Administration of the 2009 operating budget demonstrated West Chester's commitment to fiscal responsibility and excellent stewardship of taxpayer dollars.

2009 Year-End Budget Summary

- As the books were closed on the 2009 operating year, strategic planning and conservative spending led to actual expenses less than budget for all major funds and general departmental expenditures. Together, the major funds spent 80% of the total budgeted amount for 2009.
- Actual revenue collections for 2009 were mostly as projected except for those impacted most significantly by economic conditions - interest earned from investments and the permissive sales tax – hotel tax. Interest earned from investments was approximately 25% less than projected and the permissive hotel tax approximately 20% less than projected. Management practices exercised during budget planning will provide for more accurate revenue predictions in 2010.
- In 2009, the Sustainable Infrastructure Fund (SIF) was initiated and more than \$555,000 in interest accrued from Township investments was diverted to this Fund. The market hindered the initial goal of diverting \$1.5 million. The diversion of interest earned as revenue from the General Fund to the SIF is expected to continue for the next 5 to 7 years to support the long-term needs of the aging infrastructure system.
- In addition, a \$1.5 million operational supplement to the Roads Fund was made from the General Fund for annual preventative maintenance, repairs and replacement of aging infrastructure. This practice will continue over the next 5 to 7 years and is demonstrated as a decrease in 2009 revenue to the General Fund.

**WEST CHESTER TOWNSHIP
2010 OPERATING BUDGET PRESENTATION**

2010 Proposed Operating Budget Overview

The proposed operating budget for 2010 shows decreases in revenue and projected increases in spending within available resources, but more importantly it addresses the greater issues to be faced as the community evolves and matures. It reflects the challenges of the current economy and addresses the need to plan now for future demands. Revenue assumptions are quite conservative and expenditures are indicative of anticipated demands on local government services and recommended capital improvements.

The 2010 operating budget as presented proposes timely investment in the most critical and essential services – public safety services and infrastructure. It demonstrates strategic planning in terms of long-term support of infrastructure, planning for potential retirement liability as an employer, and considering market increases in fuel, utilities, health care and other “cost of doing business” line items.

The General Fund budget will reflect transfer expenditures and diverted investment earnings to continue addressing maintenance, repair, and building of sustainable public infrastructure. A \$1.5 million operational supplement transfer from the General Fund to the Road and Bridge Fund and diverted investment earnings will continue to be part of the budget for the next five years as the Sustainable Infrastructure Fund becomes established.

Over the years, West Chester has committed and established a significant carryover fund to demonstrate the overall financial health of the community, but also as a responsible approach to meeting future budget challenges and 2010 is no exception.

The operating budget as presented does not represent individual expenditures or encumbrances, but rather is a broader picture of funds assigned to specific budget priorities which are set by the Board of Trustees. The merit of expenditures greater than \$2,500 must be decided by the Board of Trustees in a public forum.

West Chester’s financial outlook remains strong with continued benefit of a substantial carryover.

Notable Impacts to Operating Budget Revenues

- The Butler County Auditor’s off-year re-evaluation of real property is expected to have a relatively insignificant impact in West Chester; however, a 5% reduction in the inside millage receipts has been projected.

**WEST CHESTER TOWNSHIP
2010 OPERATING BUDGET PRESENTATION**

- Because several revenue-generators are subject to employment rates, spending and other economic conditions, revenue projections are conservative in these areas:
 - Local Government Fund predicted to be 80% of 2009 projected receipts;
 - Fuel tax estimated to be down 20% from 2009 projected receipts;
 - Motor vehicle tax expected to be down 5% from projected 2009 receipts;
 - Hotel tax is predicted to be 50% of 2009 projected receipts; and,
 - Interest revenue projected to be 50% of 2009 projected receipts.
- The allocation of interest revenue is dynamic and dependent on the resources that generate the interest. In 2009, interest revenue was distributed 49% to the General Fund and 49% to the Sustainable Infrastructure Fund with remaining amounts split between the other interest earning funds. Interest allocation for 2010 will be similar.
- A positive development for West Chester in terms of revenue is the implementation of the Joint Economic Development District. West Chester has already started to receive receipts from JEDD-1. For 2010, revenue from this source has been modestly predicted considering the GE facility only reaching 75% workforce and not until April 1, 2010. Revenue from the JEDD-1 has been projected to be \$585,900 for 2010. This new revenue stream for the Township will be more fully realized in the 2011 budget.
- West Chester is also anticipating the reimbursement of several grants in 2010 that have already gone through the application process and approval has been determined. The most significant of these is the Voice of America building restoration with reimbursement to the Township of \$1,025,000 expected in 2010.

Notable Budget Items Relating to Cost of Doing Business

- **Staffing:** West Chester continues to address the challenge of meeting the needs for services without significantly increasing workforce. Those departments directly impacting public safety – Police, Fire and Emergency Communications - will be adding minimal staff in 2010. An additional position will also be considered from the General Fund.
- **Payroll:** Pending contract negotiations with collective bargaining units make personnel cost projections with precision challenging. Budget projections in these areas anticipate potential outcomes which at this time we cannot foresee or predict. OPERS and Medicare ratios are dependent on salaries and these costs have been predicted cautiously.
- **Health Care:** Deliberate planning with employee involvement resulted in a modest medical insurance renewal budgeted increase of 6% in 2010

**WEST CHESTER TOWNSHIP
2010 OPERATING BUDGET PRESENTATION**

- **Fuel & Utility Costs:** The volatility of these markets impact the Township's operating budget each year through increase calls for service by emergency vehicles and roads service, and gas and electric for Township facilities. Just as citizens and business owners struggle with budgeting for these items, the Township faces the same challenge and estimates costs based on multiple factors.
- **Future Retirement Liabilities:** Strategic planning for future retirement liabilities is incorporated and potential expenditures are included in the 2010 Operating Budget. Considering the age of the current workforce and applying a formula, costs of retirement payout of benefits are anticipated and budgeted for probability each budget year. These costs are reflected in each of the individual funds.

Overview of Operating Budget for Primary Funds

- **General Fund:** The 2010 budgeted expenses for the General Fund are \$9.4 million, less than 2009 budgeted expenses of \$10.2 million. This reduction is in spite of the General Fund adding capacity for an exempt position, significant capital improvements, and an operating supplement to the Roads Fund.
- **Roads Funds:** The 2010 budgeted expenses for Roads is \$4.7 million and includes nearly \$1.7 million in infrastructure improvements which includes affecting more than 15 miles of roadway with either asphalt paving or slurry, curb repair and replacement, and critical culvert repairs and replacements. The roads department will also spend \$230,000 for two salt trucks. The 2009 expenses for the Roads Fund appear low due to late billing of more than \$1 million in paving work in 2009. Funds were encumbered in 2009, but will not be spent until 2010.
- **Police Fund:** The Police Department's 2010 budgeted expenses of nearly \$16 million reflect a 6% increase over 2009. The Police Department is planning to replace 2 officer positions in 2010 and make capital improvement of nearly \$500,000 including the replacement of police vehicles and equipment. The Police Department will also make improvements to the Township's jail facilities and add license plate readers for police vehicles which will alert officers to warrants. The Police Department is in its ninth year of a five-year levy and is challenged to afford inflationary increases and service to the growth and development demands.
- **Fire/EMS Funds:** The Fire Department is projecting an 11% increase in its 2010 budget. The \$14 million budget includes hiring 3 career firefighters, the purchase of a new fire engine and replacement regulated materials and equipment.

**WEST CHESTER TOWNSHIP
2010 OPERATING BUDGET PRESENTATION**

Notable Capital Expenditures:

- **New Fire Station and Equipment:** \$5.5 million has been identified from the 747 TIF to finance purchase of land if necessary and construction of a new fire station to serve the northwest section of the community. An additional \$600,000 has been identified from 747 TIF to equip a new fire station. TIF funds are generated by development in the community and do not affect or impact residential property taxes. TIF Funds are not demonstrated in the primary funds operating budget.
- **U.S. Route 42 Redevelopment Improvements:** \$480,000 has been set aside in the 2010 General Fund budget to enhance the revitalization of this mature retail corridor which serves a significant purpose in West Chester's economy. The enhancements include two Connections projects and construction work to consolidate and relocate some overhead utility lines.
- **Cox Road Building Improvements:** \$250,000 is being considered in the 2010 General Fund budget for site and building improvements to the West Chester activity center building (former library) to accommodate its new use.
- **Connections Pathway:** \$200,000 is being allocated from the General Fund for the addition of pathway improvements along Fountains Boulevard.
- **Keehner Park Multi-Use Trail:** \$185,000 has been included in the budget to develop a paved path that will connect the athletic field/tennis court area of Keehner Park to the picnic grove area.
- **National Voice of America Museum of Broadcasting:** \$210,000 has been identified for further restoration of the VOA building including roof and façade work and a water line to service the building and park. \$150,000 of this work is within funding provided by the State of Ohio for this project and will be reimbursed to the Township.
- **CAD – RMS Mobile Upgrade-Intergraph:** \$250,000 has been budgeted for a software upgrade that operates emergency communications and supports field reporting for public safety services.
- **Fire Fleet Replacement:** \$750,000 budgeted for replacement of a 1994 75-foot Quint stationed at Fire Station 73.
- **Police Vehicle and Equipment Replacement:** \$414,250 budgeted for replacement vehicles used by the Police Department.
- **In-Field Reporting:** \$60,500 has been identified in the 2010 budget by various departments for purchase of equipment/devices to take advantage of increased operational efficiencies gained through in-field reporting. Police, Fire, Roads and Community Development will all implement, in stages, this new technology which allows reports, inspections and other data to be recorded electronically in the field.
- **Tylersville Road Interchange Beautification:** \$50,000 has been budgeted for landscaping enhancements at the Tylersville Road – Interstate 75 interchange.



West Chester Township
2010 Operating Budget

| | | Total | |
|-------------------------------------|-------|------------------------|--------------|
| General Fund | Admin | Salaries | \$ 974,898 |
| | | Benefits | \$ 370,354 |
| | | Purchased Services | \$ 866,739 |
| | | Supplies and Materials | \$ 250,146 |
| | | Utilities | \$ 108,814 |
| | | Miscellaneous | \$ 246,746 |
| | | Capital Improvement | \$ 999,400 |
| | | Debt Service | \$ 155,253 |
| | | Transfers & Accounting | \$ 1,700,000 |
| | | Admin Total | |
| Community Development | | Salaries | \$ 640,466 |
| | | Benefits | \$ 258,631 |
| | | Purchased Services | \$ 123,904 |
| | | Supplies and Materials | \$ 26,730 |
| | | Utilities | \$ 22,526 |
| | | Miscellaneous | \$ 7,500 |
| | | Capital Improvement | \$ - |
| | | Transfers & Accounting | \$ 12,600 |
| Community Development Total | | \$ 1,092,356 | |
| Information Technology | | Salaries | \$ 458,265 |
| | | Benefits | \$ 152,810 |
| | | Purchased Services | \$ 62,750 |
| | | Supplies and Materials | \$ 13,350 |
| | | Utilities | \$ 27,543 |
| | | Miscellaneous | \$ 2,400 |
| | | Capital Improvement | \$ 10,000 |
| | | Transfers & Accounting | \$ - |
| Information Technology Total | | \$ 727,118 | |
| Services | | Salaries | \$ 368,648 |
| | | Benefits | \$ 150,196 |
| | | Purchased Services | \$ 52,973 |
| | | Supplies and Materials | \$ 15,052 |
| | | Utilities | \$ 5,124 |
| | | Miscellaneous | \$ 475 |



West Chester Township
2010 Operating Budget

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|---------------------------|----------|------------------------|---------------------|
| | | Capital Improvement | \$ - |
| | | Transfers & Accounting | \$ - |
| Services Total | | | \$ 592,468 |
| Parks | | Salaries | \$ 262,192 |
| | | Benefits | \$ 92,039 |
| | | Purchased Services | \$ 214,757 |
| | | Supplies and Materials | \$ 39,377 |
| | | Utilities | \$ 135,840 |
| | | Miscellaneous | \$ 2,475 |
| | | Capital Improvement | \$ 467,943 |
| | | Transfers & Accounting | \$ - |
| Parks Total | | | \$ 1,214,624 |
| Other | | Purchased Services | \$ 4,396 |
| | | Supplies and Materials | \$ 8,775 |
| | | Utilities | \$ 23,293 |
| | | Miscellaneous | \$ - |
| | | Capital Improvement | \$ - |
| | | Transfers & Accounting | \$ - |
| Other Total | | | \$ 36,464 |
| General Fund Total | | | \$ 9,335,379 |
| Roads | Roads | Salaries | \$ 1,147,390 |
| | | Benefits | \$ 413,636 |
| | | Purchased Services | \$ 397,464 |
| | | Supplies and Materials | \$ 760,690 |
| | | Utilities | \$ 67,031 |
| | | Miscellaneous | \$ - |
| | | Capital Improvement | \$ 1,932,770 |
| | | Transfers & Accounting | \$ - |
| Roads Total | | | \$ 4,718,981 |
| Roads Total | | | \$ 4,718,981 |
| Cemetery | Cemetery | Salaries | \$ 178,989 |
| | | Benefits | \$ 77,826 |
| | | Purchased Services | \$ 30,244 |
| | | Supplies and Materials | \$ 14,071 |
| | | Utilities | \$ 6,421 |
| | | Miscellaneous | \$ - |



West Chester Township
2010 Operating Budget

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|-----------------------|-----------------------|------------------------|----------------------|
| | | Capital Improvement | \$ 97,228 |
| | | Transfers & Accounting | \$ - |
| | Cemetery Total | | \$ 404,779 |
| Cemetery Total | | | \$ 404,779 |
| TV Fund | TV Fund | Salaries | \$ 169,608 |
| | | Benefits | \$ 73,223 |
| | | Purchased Services | \$ 54,200 |
| | | Supplies and Materials | \$ 21,938 |
| | | Utilities | \$ 16,943 |
| | | Miscellaneous | \$ 10,500 |
| | | Capital Improvement | \$ 31,200 |
| | | Debt Service | \$ 82,735 |
| | | Transfers & Accounting | \$ - |
| | TV Fund Total | | \$ 460,347 |
| TV Fund Total | | | \$ 460,347 |
| Police | Police | Salaries | \$ 9,073,960 |
| | | Benefits | \$ 3,631,692 |
| | | Purchased Services | \$ 1,171,850 |
| | | Supplies and Materials | \$ 1,103,594 |
| | | Utilities | \$ 329,782 |
| | | Miscellaneous | \$ 8,750 |
| | | Capital Improvement | \$ 534,250 |
| | | Transfers & Accounting | \$ - |
| | Police Total | | \$ 15,853,878 |
| Police Total | | | \$ 15,853,878 |
| Fire | Fire | Salaries | \$ 7,669,396 |
| | | Benefits | \$ 3,011,853 |
| | | Purchased Services | \$ 688,030 |
| | | Supplies and Materials | \$ 509,340 |
| | | Utilities | \$ 280,869 |
| | | Miscellaneous | \$ 5,950 |
| | | Capital Improvement | \$ 975,500 |
| | | Debt Service | \$ 121,645 |
| | | Transfers & Accounting | \$ - |
| | Fire Total | | \$ 13,262,582 |
| | EMS | Salaries | \$ 184,711 |
| | | Benefits | \$ 66,475 |



West Chester Township
2010 Operating Budget

| | | |
|--------------------|------------------------|----------------------|
| | Purchased Services | \$ 172,450 |
| | Supplies and Materials | \$ 173,300 |
| | Utilities | \$ 11,715 |
| | Miscellaneous | \$ 1,750 |
| | Capital Improvement | \$ 25,000 |
| | Transfers & Accounting | \$ - |
| | EMS Total | \$ 635,401 |
| Fire Total | | \$ 13,897,982 |
| Grand Total | | \$ 44,671,347 |