

# 2014

# OPERATIONAL BUDGET WORK SESSION

January 21, 2014

GENERAL  
FUND

ROADS AND  
MAINTENANCE  
FUNDS

POLICE FUND

FIRE & EMS  
FUNDS



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



## **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, Multi-Media & Marketing Fund, Police Fund, and Fire and EMS Funds.
- The General Fund includes activities from Administration, Community Development, Community Services, Finance & 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. While direction from the Trustees is obtained and controls are applied to ensure their direction is followed, the operational budget may not be formally approved and is therefore not the “official budget.”
- 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 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 all 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.
- 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.
- Integrated Multi-Media & Marketing, which includes website, event planning, public access television and similar, is funded by cable television franchise fees.
- The Cemetery Fund receives funds through burial services and is supplemented by the General Fund.
- Nearly 67 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. As with all expenses greater than \$2,500, they will be scrutinized by the Board of Trustees individually and acted upon in a public forum.



WEST CHESTER TOWNSHIP  
ADMINISTRATION  
**2014 OPERATIONAL BUDGET PRESENTATION**

---

Even before the national and international economic decline, West Chester recognized the days of prosperity could not last, when development expanded at alarming and non-sustainable market rates and when property values and real property tax collections increased generously each year.

West Chester has taken and will continue to take every opportunity to examine its operations, right-sizing government now and for the future; directing resources to the most critical needs and demands for services; and trimming budgets while taking into consideration revenue reductions from the state, volatility in revenue sources affected by the macro-economy, and property value reductions due to a strained economy and aging housing stock. While taking these impactful circumstances into consideration, the Township will continue to place value on and direct resources to those amenities and services that define West Chester as a community of excellence and that sustain its prosperity. This has been accomplished by establishing productive partnerships with the private sector and other agencies, eliminating approximately 30 full-time positions since 2002, restructuring departments for added efficiencies and taking a regenerated approach to operations.

Even before the decline of the macro-economy, West Chester has been viewing its operations and budget through a changed perspective, recognizing the state of the economy and its impact on property valuations, personal spending by consumers, and the elimination and volatility of certain revenue sources, forcing the Township to take an even stricter and leaner approach to budgetary constraints and expenditures.

The loss of revenue sources the Estate Tax, Tangible Personal Property Tax, Kilowatt Tax, and reductions in Local Government funding, and other revenues linked to the economy, coupled with impacted property values, will reverberate in all the Township's operations and delivery of services.

Therefore, it is critical as the economy continues to struggle and West Chester matures, every effort be made to protect property values and sustain development, focusing on strengthening West Chester's economy by promoting development and retaining a marketable workforce; and preserving property values of an aging housing stock by encouraging property maintenance and livability.

West Chester has been more fortunate than many communities due to its long-standing budgetary practices, but will continue to sharpen its pencil even more to meet the challenges ahead. The proposed operational budget for 2014 reflects West Chester's commitment to fiscal restraint and its traditional approach to conservative revenue projections and budgeted expenses in order to further weather economic challenges and effectively allocate resources for the most critical needs of the community.

The themes offered throughout the preparation and presentation of the last several operational budgets: reduced revenue streams from extended conditions and trends of a declining economy; continued commitment to managing escalating infrastructure maintenance and replacement costs; regenerated approach to expenses and operations, and the impact of all on delivery of services will be reiterated in the proposed 2014 budget.

### **Recap of 2013 Operational Budget for Primary Funds**

For the 2013 operating year, all primary funds and general departmental expenditures – General, Fire, Police, and Roads’ Funds are under budget. Strategic planning and conservative spending led to actual expenses less than budget, averaging about 10% under budget [Roads – 22%; Fire – 7%; Police 9%; and GF – 13%].

In 2013, the departments continued to reconstruct operations and the delivery of services as part of the “bridge year strategy” first introduced in 2012. While some bridge year examples resulted in increased efficiencies and reduced costs, others are still being assessed and tested for overall impact.

- In the Police Department, multiple operational changes and implementation of new technology resulted in reduced costs.
  - Twelve (12) hour shifts for police resulted in a \$48,000 reduction in personnel costs with a 5.0% increase in patrol presence.
  - In-field reporting resulted in savings of \$46,800 and a 7.5% increase in patrol presence with real time data entry and record availability.
  - With the 5% increase in patrol presence due to twelve hour shifts and the 7.5% increase in patrol presence due to in-field reporting, the PD made significant efforts in crime prevention by expanding community outreaches and public awareness through neighborhood watch programs, unoccupied home checks, and other services.
- In the Fire Department, technology and new approaches to deployment of critical resources resulted in cost reductions.
  - A restructuring of dispatched apparatus resulted in a 16% reduction in the number of calls a quint/engine accompanies a squad, reducing fuel costs and mileage on service vehicles.
  - Of the times used for training, fire video conferencing allowed firefighters and vehicles to remain in assigned districts 34% of the time, reducing response times by an estimated 15 seconds and fuel costs by approximately 12%.
  - A redesigned schedule for some fleet vehicles proposes a 30% cost reduction for replacement and extends the use of fleet.
- Deploying Cartegraph and developing operational efficiencies in the Community Services Department resulted in:
  - A more comprehensive approach to replacement schedules for all types of infrastructure – pavement, curb, striping, storm sewer mains, culverts, snow routes.
  - Restructured snow routes resulted in greater coverage with no increase in costs.
  - Staggered hiring and scheduling of seasonal employees resulted in a 25% reduction in costs.

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- In 2013 the Township furthered its efforts to right-size the organization and reduced full-time equivalent positions by 12% from 2007 to 2013. Through some reorganization efforts deployed and technology implemented, the Township continued to reduce workforce through attrition and retirement.
  - The consolidation of the Public Information Office and the West Chester Community Television Department reduced costs by \$100,000 and maintained the same level of service.
  - A full-time receptionist position was recently vacated through promotion and will be filled as part-time, resulting in an annual savings of approximately \$10,000.
  - Technology has increased efficiencies and reduced costs:
    - Telestaff – scheduling and payroll software for police and fire personnel merited a \$30,000 reduction in costs and 15% reduction in staff time associated with payroll processing;
    - Web-based payroll reporting resulted in an additional \$25,000 reduction in annual costs by eliminating fees
  
- By leveraging capital and personnel assets where capacity exists, increasing greater operational efficiencies, and expanding ways to share services, the Township reduced costs, augmented revenues, or used proceeds to cover current operational costs.
  - A collaborative purchasing program intra-departmentally and inter-governmentally for office and janitorial supplies, and fire, mechanic, and roads materials resulted in an average 20% reduction in costs.
  - “Retail” rate sheets were developed to “retail” certain Township services to other local governments or public entities. True opportunities to retail services have not yet been fully marketed or realized.
  - Shared services utilizing the Township’s dispatch emergency communications center are currently being considered, potentially resulting in new revenues and reduced costs to public safety.
  - The greatest annual cost reduction realized through leveraging assets has been the enhanced partnership with the Butler County Engineer’s Office. This partnership has allowed the Township to address critical infrastructure improvements through shared services, to preserve a stable paving program, and to continue to advance necessary replacement and maintenance of storm sewer mains and ditches. The partnership resulted in over \$500,000 in savings to the Township in 2013 without burdening either entity’s operational budget.

**2013 Year End Budget Summary**

In most instances actual revenue collections for 2013 were slightly greater than projected and were accounted for with today’s volatile economic conditions.

- In 2013, most revenues receipted were greater than estimated:

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- Interest earned on investments continues to be impacted by economic conditions. Low interest rates have minimized revenue earned on investments. What was once, only a few short years ago, a significant revenue source for the Township, interest earned decreased from \$2.8 million in 2008 to \$1.2 million in 2012 and \$624,915 in 2013. Although never projected as a reliable revenue source even when the economy was robust, the decrease in interest earned impacts fund balances as revenues flat line and costs of doing business and inflationary factors increase.

The greatest impact of interest earned from investments has been the condition of the financial plan for the Sustainable Infrastructure Fund (SIF) first introduced in 2009. Trying to impact the Township's long-term financial plan for infrastructure management and maintenance, in 2009 a financial plan was introduced, receipting the majority share of interest earned to the SIF. Although actual receipts over the last few years exceeded budget projections for this revenue source, the SIF's account balance remains under target and is slightly more than half of what was anticipated after five (5) years (approximately \$4.4 million of an anticipated \$7.5 million balance). As long as the General Fund budget can accommodate a \$1.5 million transfer to roads for infrastructure maintenance and the carryover is not negatively impacted, the financial SIF plan should continue although off target.

- Property tax revenue for applicable funds was impacted again in 2013, due to a 0.56% decrease in property values, following three years of larger decreases. Nonetheless, the receipts for property tax collections in 2013 for all the primary funds exceeded the budget projections.

Although all funds receiving property tax collections were impacted, the property value reduction continues to have the greatest impact on the police levy fund.

- Annual collections for the police levy continue to be approximately \$800,000 less than certified at the levy renewal in 2010, causing a financial strain on the projected five (5) year police levy. Decreased property values and delinquencies attribute to even greater annual variances.
  - Although on-going discussions with the police collective bargaining units regarding cost reductions and containments have resulted with no substantial concessions, the Township is committed to ensuring at a minimum the police levy extends to five (5) years with the earliest possible return to the voters, if even then, in 2016.
- On a more positive note, the JEDD revenue augments revenue losses or decreases to the General Fund and proves to be a viable revenue source for operations. The Township receipted (\$1,285,415) 40% more than originally estimated (\$895,270) for 2013 JEDD revenues. The majority of JEDD payments were deposited into the General Fund (\$1,063,993) with the balance receipted to the police and fire funds to address exempted collections.

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- Revenue for 2013 hotel tax receipts (\$829,131) was 52.0% greater than budget projections (\$545,306) and were slightly greater than 2012 receipts (\$799,252).
- Revenues realized in 2013 for the Local Government Fund (\$843,485) exceeded budget projections (\$414,824) significantly. In 2012, West Chester received \$1,022,651 from the Local Government Fund. The sources comprising Local Government Fund receipts are the most volatile as a result of economic conditions so this revenue source is budgeted extremely conservatively.
- Revenues realized in 2013 for EMS billing (\$927,590) exceeded budget by 3%, but were less than 2012 receipts (\$1,165,000). All analyses seem to indicate the difference in revenue received in 2013 versus 2012 is due to the processing of collections for services rather than actual receipts to that fund. Although this is believed to be a timing issue, it bears closer consideration moving forward.

Administration of the 2013 Operational Budget and compilation of the proposed 2014 Operational Budget demonstrate West Chester's commitment to fiscal responsibility and awareness of the need to weather current and predicted economic challenges reflective of the broader economic climate.

### **Overview of the Proposed 2014 Operational Budget**

The 2014 Operational Budget as proposed demonstrates a commitment to continuous improvement and a focus on sustainability. While taking negative impacts to revenue sources into consideration, value will continue to be placed on and resources will be directed to those amenities and services that define West Chester as a community of excellence. Exceptional police and fire services, quality infrastructure, and property maintenance protect and enhance West Chester's position as one of America's best places to live and as a progressive environment for economic development.

As the economy continues to struggle and West Chester matures, it is critical every effort be made to protect property values and sustain development, focusing on keeping the West Chester economy strong by promoting development and retaining a marketable workforce; and preserving property values of an aging housing stock by encouraging property maintenance and livability.

It is the budgetary practice of West Chester to underestimate revenues and account for potential or unanticipated and unexpected expenditures in order to fund potential liabilities and be prepared for unforeseen circumstances or situations. This practice has allowed the Township to remain within self-imposed budgetary constraints and build a carryover which demonstrates fiscal solvency and will benefit the community through lean times.

The proposed 2014 Operational Budget continues to respond to the revenue reductions from varying sources affecting the primary funds uniquely; further implements bridge year strategies designed to reduce costs and increase operational efficiencies; and reflects West Chester's ongoing commitment to fiscal restraint. With a successful history of budget planning and fiscal restraint, the proposed budget

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

continues to be conservative in revenue projections and budgeted expenditures to effectively allocate resources for the most critical needs and to meet the expectations of the community for amenities and services.

As responsible stewards, the Board of Trustees and Township staff strive to utilize and expend all Township resources in a wise and fiscally responsible manner. Additionally, our traditional strategy of budgeting based on need and not on availability of funds, further ensures staff expends within the budgetary constraints.

The themes offered throughout the preparation of previous budget processes are all applicable to the 2014 Operational Budget:

- reduced revenue streams from extended conditions and trends of a challenged economy;
- continued commitment to managing escalating infrastructure maintenance and replacement costs;
- regenerated approach to expenses and operations; and
- addressed impact of all on delivery of services

**Notable Points of the 2014 Operational Budget:**

Regardless of how well the economic storm has been weathered to date, West Chester acknowledges it experienced the first dramatic effects of a struggling economy with reductions in property values starting in 2009. Through 2013, the reduction in property values accumulated to a 14.8% decline over the last five (5) years. Butler County has announced a minimal increase to property values (0.18%) in 2014. The estimated revenues for 2014 however are projected based on possible property value revisions and tax delinquencies.

As the economy continues to struggle and West Chester matures, it is critical every effort be made to protect property values and sustain development, focusing on keeping the West Chester economy strong by promoting development and retaining a marketable workforce; and preserving property values of an aging housing stock by encouraging property maintenance and livability.

With shrinking revenue sources and increasing demand for services, it is important to recognize those employees who are regularly asked to do more with less. In a cultural environment where popular opinion of government is at its all time low, it is imperative to recognize the efforts of the Township staff, committed to sustaining West Chester's prosperity and lessening, when possible, the burden on taxpayers. They are devoted, hard working, intelligent, creative, sincere, and they welcome new challenges and strive to embrace opportunities for continued improvement.

The 2014 Operational Budget reflects the Board of Trustees' continued commitment to manage escalating infrastructure maintenance and replacement costs through financial support to the roads' funds by funding supplements from the General Fund, from the applicable TIF funds for eligible maintenance, and through a financial partnership with the Butler County Engineer's Office. This will be the third year of an expanded partnership with the BCEO. In 2012 the partnership with the BCEO reduced costs from Township roads' funds approximately \$300,000

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

and in 2013 this partnership resulted in cost reductions of \$500,000. In 2014, the expanded partnership with the BCEO to address critical infrastructure improvements through shared services is expected to save West Chester just more than \$600,000.

Because of the partnership with the BCEO, the General Fund in 2014 can again support a direct subsidy to the Roads Fund of \$1.5 million. Because the planned 2014 roads resurfacing program incorporates more miles and greater costs, a direct contribution cannot be made to the Sustainable Infrastructure Fund.

In order to address the demands of aging infrastructure and to continue to build a sustainable fund for public infrastructure maintenance, operational supplements (transfers) to the Roads and Bridge Fund must remain part of the budget for the next several years and during that same period, the Board must acknowledge General Fund operational budgets will demonstrate expenditures greater than revenues.

The operational budget as presented does not represent individual expenditures or encumbrances, rather a detailed illustration of expected expenditures by account code assigned to specific budget priorities which are set by the Board of Trustees. The merit of expenditures greater than \$2,500 must be evaluated and approved separately by the Board of Trustees in a public forum.

### **Notable Impacts to Operational Budget Revenues**

When projecting revenues for 2014, the Township was cognizant of economic conditions, the broader economic climate, the reductions in primary revenue sources from previously enacted State legislation, and a continually predicted constrained economy. Each of these circumstances and dynamics all have an impending impact on the Township's operations and delivery of services.

- Significant constraints were once again placed on all revenue sources and especially those most volatile as a result of economic conditions. The 2014 Operational Budget is responsive to the macro-economy and assumes indirect affects to revenue sources such as hotel tax, fuel tax, interest earned as a result of economic conditions on the national level.
- West Chester is predicting a further 2% reduction in 2014 property tax collections as compared to 2013 receipts. While the County Budget Commission reports a minimal increase (0.18%) to property revaluations in 2014, West Chester is projecting a further 2.0% reduction (\$888,000 less than the current value abstract). While this is an austere projection it is in keeping with West Chester's long standing practice of under estimating revenues and preparing for unforeseen circumstances.
- The State's distribution of Local Government Funds (LGF) continues to impact local government revenues. Because the LGF is affected by numerous factors and is a result of several economic multipliers, subject to continued volatility in the economy, namely commercial activity tax, West Chester is projecting a 27% decrease from 2013 receipts in this funding source for 2014.

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- The 2014 Operational Budget continues to be responsive to the macro-economy and assumes indirect affects to revenue sources generated by and subject to employment rates and consumer spending. Conservative 2014 revenue projections have been budgeted in these areas:
  - fuel tax projected for 2014 is 10% less than 2013 receipts,
  - motor vehicle tax projected to be down 12% from 2013 receipts,
  - hotel tax projected 52% less than 2013 receipts,
  - interest revenue projected is 80% less than 2013 receipts, and
  - EMS billing projected to be down 3% from 2013 receipts
- For the last several years, both GE Aviation buildings at Northpointe have been fully occupied and GE Aviation has received several substantial contracts anticipated to last through 2014, but West Chester will again project modest revenues from the JEDD for 2014, \$963,000 for all funds. This revenue projection is 25% less than revenue collections for 2013 (\$1,285,415). JEDD revenues not only assist in covering revenue deficits caused by reductions and eliminations of other revenue sources, this revenue is distributed to Police and Fire funds accounting for property tax revenue not received due to the abatement of taxes on the property.
- The 2014 Operational Budget reflects the complete elimination of the Tangible Personal Property Tax due to the restructuring of State tax policy from a few years ago and the continued repeal of the Estate Tax.
- Although the Estate Tax has never been a revenue source on which the Township has counted, the receipts have allowed the Township to increase its carryover and implement its sustainable infrastructure financial plan. The Township may continue to receive revenue from this source even after the repeal of the tax due to settlement of estates. The Township, however, has budgeted no revenue from this source in 2014 and will not for future years.

**Notable Budget Items Related to Cost of Doing Business**

- Consistent with our commitment to continuous improvement, the 2014 budget process continues to formulate more precisely salary, benefits, and potential compensation liabilities – retirement, separation, etc. – within each of the Township departments. This improvement is significant and brings consistency and accountability to the Township’s largest expenditure - personnel.
- Market factors and experience resulted in a 23% increase in health care premiums for all department budgets. In 2014, Township employees will contribute 15% to their health care premiums.
- As West Chester moves forward within new budgetary constraints, its ongoing commitment to civic organizations, providing benefit to the community and Township operations, will be evaluated. However, the 2014 Operational Budget proposes

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

continued funding contributions to Partners in Prime for management and operations of the West Chester Activity Center, the WestChester/Liberty Chamber Alliance, and the Cincinnati USA Partnership, as well as, The National Voice of America Museum of Broadcasting.

- While these partnerships add cost to the organization, they leverage opportunities to expand other public-private partnerships and to reduce other operational costs for essential and discretionary services: EC Link for website development, First Financial Bank for programming on The Square, BAE Systems for senior van transportation vehicle replacements, West Chester Baseball Partnership for the West Chester Baseball Complex, and other examples of partnered services including Partners in Prime, MidPointe Library System, MetroParks, and The National Voice of America Museum of Broadcasting.
- Increased costs of materials, fuel, purchased services and other similar operational costs have been budgeted reflective of the cost of doing business in the recent economy. Although costs for goods have increased, the development of collaborative purchasing programs intra-departmentally and inter-governmentally for office and janitorial supplies, and fire, mechanic, and roads materials has resulted in an average 20.0% reduction in costs, allowing these costs to remain somewhat flat.
- New technologies implemented in recent years have increased efficiencies and reduced costs. Telestaff, a scheduling and payroll software for police and fire, reduced costs by \$30,000 and payroll processing staff time by 15.0%. Web-based payroll reporting realized a \$25,000 reduction in annual costs by eliminating fees.

**Notable Items of Operational Budget Expenses**

- **General Fund:** The General Fund's 2014 budgeted expenses of \$7.5 million are greater than the 2013 budgeted expenses of \$6.9 million and 2012 budgeted expenses of \$7 million. In order to continue addressing public infrastructure maintenance and other obligations, the 2014 General Fund budget for Board of Trustees consideration will reflect expenditures greater than revenues.
  - The General Fund proposes adding capacity for a 23% increase in health care costs; \$250,000 in undetermined capital improvements for the revitalization of U.S. Route 42; \$270,000 payment to the City of Fairfield for contract obligations related to the JEDD; consideration for \$70,000 for ADA improvements to Keehner Park; as well as continued support of a \$75,000 contribution to The National Voice of America Museum of Broadcasting; continued support of a \$65,000 contribution to Partners in Prime; and the \$1.5 million transfer to the Roads Fund.
- **Roads' Funds:** The 2014 budgeted expenses of \$4.2 million are consistent with operational budgets over the past five (5) years inclusive of the \$1.5 million transfer from the General Fund. In 2013, budgeted expenses were \$3.69 million, and in 2012 budgeted expenses for the roads' funds were \$3.9 million. Despite increasing costs of maintaining

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- infrastructure, West Chester continues to seek opportunities to improve efficiencies and reduce costs.
- In 2014, West Chester will continue its expanded partnership with the Butler County Engineer's Office to achieve much needed infrastructure improvements through shared services. As permitted by law, West Chester will again utilize tax increment financing funds to maintain eligible infrastructure improvements and pave county roadways within the TIF district, and in return the Engineer's Office will contribute equipment, personnel, and other resources to improve and maintain Township infrastructure throughout the community, saving West Chester approximately \$600,000. The partnership does not burden either entities operational budget and applies capacities of internal resources already being expended.
  - The balance in the Sustainable Infrastructure Fund will be an on-going matter for the Board to monitor and adjust in order to manage and maintain the long term financial plan for the community's maturing infrastructure.
  - **Emergency Communications (dispatch):** The proposed budget for 2014 is \$1.7 million and is slightly less than 2012 and 2013 budgets of \$1.8 million. This budget affects both the police and fire levy funds as dispatch costs are shared by these departments. The proposed budget may be modified throughout the year to possibly effectuate a pending proposal for shared services. Any changes, of course, are subject to Board of Trustee approval.
  - **Fire/EMS Funds:** The fire/EMS funds 2014 proposed budgeted expenses of just more than \$14.7 million is a significant increase from recent years and specifically last year's \$12.7 million budget and 2012's budget of \$12.5 million. The increase is attributed to the need for equipment and apparatus replacement, including \$500,000 for SCBA equipment, \$225,000 to replace a life squad, and \$600,000 to replace a fire engine. The expenditures are necessary, reflective of an established replacement schedule, and within the funding sources of the fire/EMS operations.
    - A redesigned replacement schedule for medic units/life squads proposes for vehicle chassis to be replaced separately from the truck body, resulting in savings. If favorably considered by the Board of Trustees, a medic unit will be purchased at 70% of the cost of a completely new vehicle and proposes to extend the life of the refurbished vehicle for another 8-10 years.
  - **Police Department:** The Police Fund budgeted expenses for 2014 of \$14.4 million are consistent with previous years' budgets, specifically the 2013 budgeted expenses of \$14.1 million and the 2012 budgeted expenses of \$14.6 million. The Police Department has been able to maintain its effective delivery of service to the community, while striving to maintain its annual budget.
    - The Police Department has been consistently and actively working to maintain costs by altering shifts, deploying in-field reporting, foregoing pay increases in 2012 and 2013 for command and non-contract support staff, and considering all possible efficiencies to address the annual \$800,000 deficit in collections from the certified levy amount. To ensure at a minimum the police levy extends to at

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

least five (5) years with the earliest possible return to the voters, if even then, in 2016, the Police Department will have to seek greater efficiencies in operations; to consider further reductions in operating expenses; to renegotiate wages and benefits and concessions for contract employees; and to reduce the workforce through attrition, and if necessary layoffs must be addressed.

- Despite cost reductions realized in the operations of the Police Department, the 2014 budget remains fairly consistent due to cost of doing business expenses and the consideration of a \$330,000 expense for the replacement of fleet vehicles
- In 2014, the Township will continue redirecting previously received General Fund revenues to the Police Fund (approximately \$125,000 that can be attributed to police operations) and will continue the assignment of a mechanic to the fire fund.
- To date, contract negotiations with the police collective bargaining units have not resulted in any substantial cost reductions or containments. Depending on potential third-party resolution, a contract renewal may require increased budgeted expenses than currently presented and subsequent Board of Trustee review. The proposed 2014 Operational Budget only budgets for current collective bargained step increases with no annual cost of living increase. Any increase in budgeted expenses will affect the levy's sustainability.
- Dependent upon Board of Trustee approval, the Police Department may expand its operations and introduce a police impound lot, allowing for a new revenue source with only indirect costs to operations.
- The amount of funding needed to achieve the intended levy life is more accurately defined each year. As each year progresses, receipted revenues and actual expenses are known more accurately; thereby, making projections less dynamic and assumptions more educated.

### **Notable Capital Expenditures**

The Capital Improvement Plan (CIP), presented as part of operational budgets, is a tool used not only to demonstrate annual capital projects and expenditures but more importantly a budgetary mechanism to anticipate and plan for large capital expenses for the next five years. The Township uses the CIP to “save for” and reserve funds to make anticipated improvements and essential purchases when necessary and, of course, with Board of Trustees approval.

- **Road Resurfacing:** \$2.7 million is budgeted from Roads and TIF funds for resurfacing of various roadways throughout the Township. In addition to direct pavement resurfacing and slurry costs, this amount includes proportionate costs to replace and repair curbs and restripe and retrace pavement markings.
- **Fire Apparatus Replacement:** The Fire Department has budgeted \$600,000 for the replacement of a 1989 fire engine and \$225,000 for the replacement of a 2003 medic unit chassis.
- **Firefighting Equipment:** The Fire Department has also budgeted \$500,000 for the replacement of Self Contained Breathing Apparatus meeting requirements for firefighter safety.

**WEST CHESTER TOWNSHIP  
2014 OPERATIONAL BUDGET PRESENTATION**

- **Police Vehicle Replacement:** The Police Department has budgeted \$330,000 for the replacement of fleet vehicles for road patrol. As part of bridge year considerations, these vehicle purchases were delayed in 2012 in order to consider a regenerated approach to the purchase of vehicles and management of the Township's fleet. Vehicles reaching high mileage and requiring added maintenance and repairs due to age will be replaced.

While the operational budget does not include consideration of expenses or revenues associated with TIF Funds, some notable capital expenditures outlined below are proposed for these funds. TIF money can only be used for specific infrastructure projects within defined districts.

- **Civic Centre Boulevard Extension:** \$5 million has been budgeted in the UCB TIF to extend Civic Centre Boulevard to Allen Road. This expenditure has been noted in previous years' CIPs, but has not been expended as yet. Project construction and funding will be development driven. With the recent announcement of a destination retailer in the affected area, this expense will most likely be realized in 2014.
- **Improvements to UCB and Interstate 75 Ramps:** \$6 million has been budgeted in the UCB TIF to address required improvements based on predicted development demands. Project construction and funding will be development driven and must be budgeted in the event development becomes more robust.
- **Road Resurfacing:** of the total budget for roadway resurfacing, including Township and County roads, \$1 million has been budgeted from the TIF as part of the shared services arrangement with the Butler County Engineer's Office.
- **Beautification of UCB:** \$1 million has been budgeted to design and replace or install irrigation systems, lighting, and landscaping for existing development and an anticipated destination retailer.
- **Connections Pathway:** Although it is anticipated connections pathways will not be constructed in 2014 with Township revenue sources, the CIP continues to reflect and budget \$400,000 to extend the existing Connections Pathway on the north side of Beckett Road from Beckett Ridge Boulevard to west of State Route 747 and \$1.0 million for a pathway for the Conservation Corridor.



**WEST CHESTER TOWNSHIP**  
**2014 OPERATIONAL BUDGET – ALL FUNDS**

General Fund	Admin	Salaries	\$ 1,063,255
		Benefits	\$ 494,291
		Purchased Services	\$ 882,100
		Supplies and Materials	\$ 171,836
		Utilities	\$ 83,494
		Miscellaneous	\$ 243,350
		Capital Improvement	\$ 268,500
		Debt Service	\$ 408,025
		Transfers & Accounting	\$ 1,700,000
		<b>Admin Total</b>	
	Parks	Salaries	\$ 285,361
		Benefits	\$ 121,243
		Purchased Services	\$ 143,419
		Supplies and Materials	\$ 38,700
		Utilities	\$ 52,746
		Miscellaneous	\$ 3,585
		Capital Improvement	\$ 75,000
	<b>Parks Total</b>		<b>\$ 720,054</b>
	Other	Purchased Services	\$ 7,925
		Supplies and Materials	\$ 7,650
		Utilities	\$ 20,796
		Miscellaneous	\$ 500
		Capital Improvement	\$ -
	<b>Other Total</b>		<b>\$ 36,871</b>
	Community Development	Salaries	\$ 512,374
		Benefits	\$ 206,583
Purchased Services		\$ 115,489	
Supplies and Materials		\$ 18,047	
Utilities		\$ 8,300	
Miscellaneous		\$ 4,625	
Capital Improvement		\$ -	
Transfers & Accounting		\$ 12,600	
<b>Community Development Total</b>		<b>\$ 878,019</b>	

	Community Services	Salaries	\$ 324,828
		Benefits	\$ 143,864
		Purchased Services	\$ 29,550
		Supplies and Materials	\$ 23,400
		Utilities	\$ 4,497
		Miscellaneous	\$ 1,125
		Capital Improvement	\$ -
	Community Services Total		\$ 527,264
General Fund Total			\$ 7,477,059
Roads	Roads	Salaries	\$ 1,009,630
		Benefits	\$ 475,400
		Purchased Services	\$ 293,452
		Supplies and Materials	\$ 547,789
		Utilities	\$ 42,327
		Miscellaneous	\$ 250
		Capital Improvement	\$ 1,844,603
		Transfers & Accounting	\$ -
	Roads Total		\$ 4,213,451
Roads Total			\$ 4,213,451
Cemetery	Cemetery	Salaries	\$ 142,825
		Benefits	\$ 85,071
		Purchased Services	\$ 26,197
		Supplies and Materials	\$ 12,725
		Utilities	\$ 2,748
		Miscellaneous	\$ -
		Capital Improvement	\$ 40,000
		Transfers & Accounting	\$ -
	Cemetery Total		\$ 309,565
Cemetery Total			\$ 309,565
Police	Police	Salaries	\$ 8,651,568
		Benefits	\$ 3,713,901
		Purchased Services	\$ 861,340
		Supplies and Materials	\$ 649,186
		Utilities	\$ 182,152
		Miscellaneous	\$ 53,525
		Capital Improvement	\$ 334,000
		Transfers & Accounting	\$ -
	Police Total		\$ 14,445,672
Police Total			\$ 14,445,672

Fire	Fire	Salaries	\$ 7,854,495
		Benefits	\$ 3,239,949
		Purchased Services	\$ 543,615
		Supplies and Materials	\$ 299,869
		Utilities	\$ 200,078
		Miscellaneous	\$ 47,200
		Capital Improvement	\$ 1,126,500
		Debt Service	\$ 132,592
		Transfers & Accounting	\$ -
<b>Fire Total</b>			<b>\$ 13,444,298</b>
	EMS	Salaries	\$ 239,693
		Benefits	\$ 120,197
		Purchased Services	\$ 244,200
		Supplies and Materials	\$ 309,305
		Utilities	\$ 19,030
		Miscellaneous	\$ 16,500
		Capital Improvement	\$ 262,500
		Transfers & Accounting	
<b>EMS Total</b>			<b>\$ 1,211,425</b>
<b>Fire Total</b>			<b>\$ 14,655,723</b>
Multi-Media & Marketing	Multi-Media & Marketing	Salaries	\$ 189,991
		Benefits	\$ 84,100
		Purchased Services	\$ 71,070
		Supplies and Materials	\$ 18,580
		Utilities	\$ 8,205
		Miscellaneous	\$ 1,000
		Capital Improvement	\$ 120,000
		Debt Service	\$ 85,110
		Transfers & Accounting	\$ -
<b>Multi-Media &amp; Marketing Total</b>			<b>\$ 578,057</b>
<b>Multi-Media &amp; Marketing Total</b>			<b>\$ 578,057</b>
<b>Grand Total</b>			<b>\$ 41,679,527</b>



# Budget Work Session

## 2014 Operational Budget

General Fund

Roads & Maintenance Funds

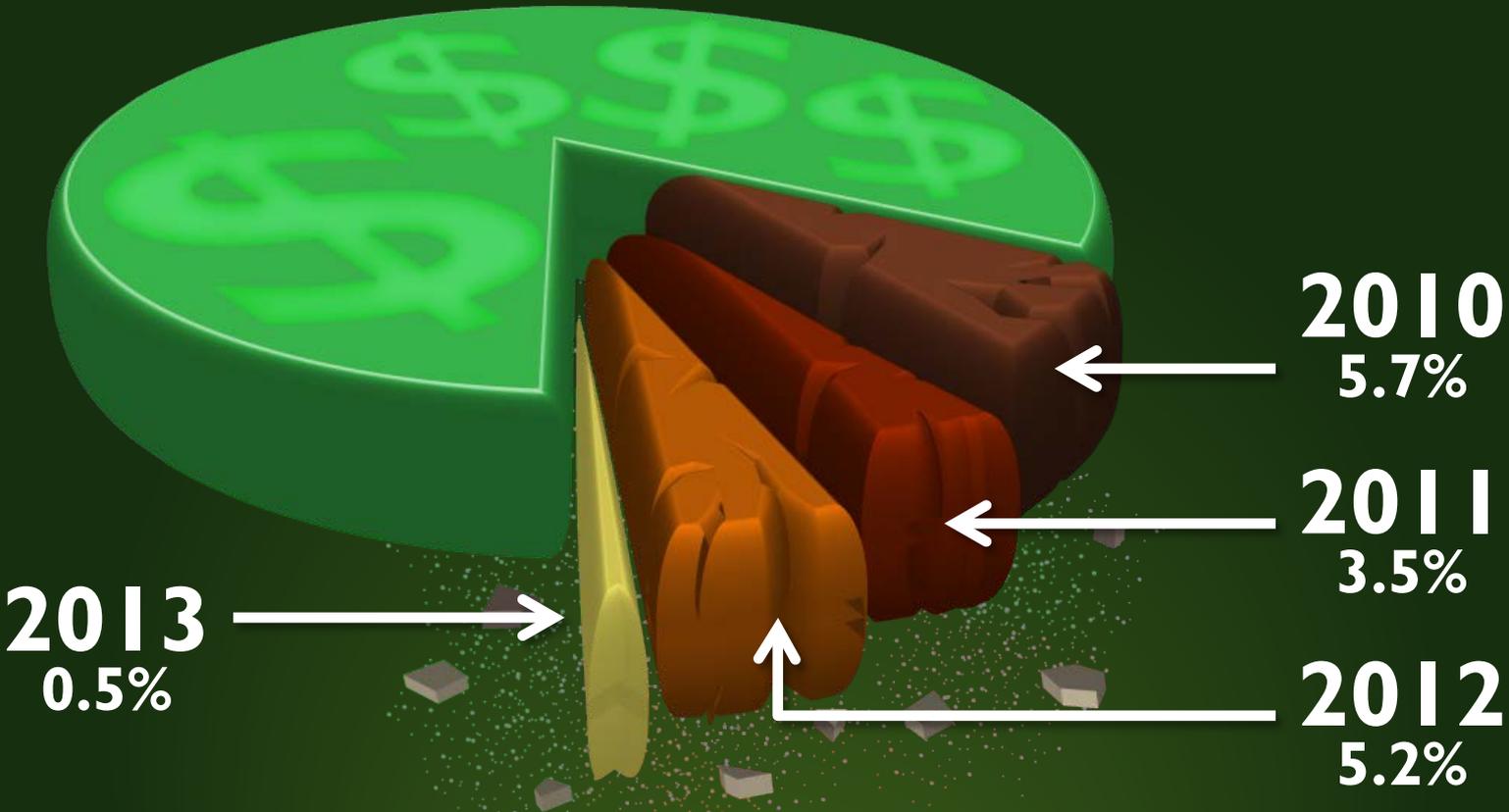
Fire and EMS Funds

Police Fund



# Impact of Reduced Property Valuations

All Funds





# Budget Work Session

## 2014 Operational Budget

General Fund

Roads & Maintenance Funds

Fire and EMS Funds

Police Fund



# General Fund Carryover





# General Fund Revenues





# General Fund Revenues & Expenditures





# **General Fund**

## ***General Fund Notables***

- **\$250,000 for undetermined improvements for the revitalization of U.S. Route 42**
- **\$70,000 for ADA improvements to Keehner Park**

### **TIF Capital Improvement Projects**

- **\$5 million for Civic Centre Boulevard Extension**
- **\$6 million for improvements to UCB and Interstate 75 ramps**
- **\$1 million for resurfacing of county roads within West Chester as part of the shared services arrangement with the BCEO**
- **\$1 million to design and replace or install irrigation systems, lighting, and landscaping on UCB**



# Budget Work Session

## 2014 Operational Budget

# Roads & Maintenance

## Funds



# Roads Carryover





# Roads Revenues





# Roads Revenues & Expenditures





# Roads & Maintenance

## 2014 Road Resurfacing Program

The Township currently has 220 center-line miles of roadway

### Asphalt Paving:

- **\$950,000 to pave 10.37 miles of roadway**
  - **BCEO will pay to pave 0.16 miles of township roadway**
  - **West Chester will pave 1.72 miles of county roadway & 1.62 miles of township roadway in TIF districts at a cost of \$1 million from TIF (not the Roads Fund).**
- **\$367,603 for 12,450 lineal feet of curb replacement/repair**
- **\$230,000 for slurry sealcoat application on 6.65 miles of roadway**



# Roads & Maintenance

## *Roads Funds Notables*

- **\$275,000 for purchase of road salt for the 2014-15 snow season**
- **\$60,000 for purchase of a replacement for a 1996 pick-up truck to be equipped for snow removal and salt application**
- **\$190,000 for critical culvert/storm pipe replacement and repairs**





# Budget Work Session

## 2014 Operational Budget

### Fire and EMS Funds



# 2014 Operational Budget Fire & EMS Carryover





# Fire & EMS Revenues





# Fire & EMS Revenues & Expenditures



**BUDGET  
YEAR**



# Fire Department

## *Outreach Recap*

### **In terms of property lost and saved in 2013:**

- **Value of property affected by fire: \$120,257,865**
  - **Property loss: \$552,711**
  - **Property saved through FD interventions: \$119,705,154 (99.54%)**
- **Value of contents of these properties: \$30,729,599**
  - **Contents loss: \$243,380**
  - **Content value saved through FD intervention: \$30,486,219**
- **9.6% decrease in calls for service in 2013**
- **Response time reduced by 13 seconds**
- **Public Education: Nearly 11,000 residents reached through educational programming offered**
- **132 CPR classes with 746 students total**

# Fire Department

## *Fire & EMS Funds Notables*

- **\$600,000 to replace a 1989 fire engine**
- **\$500,000 for replacement of Self-Contained Breathing Apparatus**
- **\$225,000 for remount of 2003 medic unit**
- **\$25,000 for roof repair at Fire Station 75**



## **Operational Expenses:**

- **An increase in personnel costs**
- **Anticipate a 5 to 8% increase in drug and medications costs for our EMS units**
- **Increase in repair and maintenance of apparatus and facilities**



# Budget Work Session

## 2014 Operational Budget

### Police Fund



# Police Carryover





# Police Revenues





# Police Revenues & Expenditures





# Police Department

## *Outreach Recap*

- **163 public appearances with 20,490 people reached**
- **6 new Neighborhood Watch groups for total of 35**
- **“Be the Difference” events focused on anti-bullying**
- **Citizen Police Academy graduated its 8th & 9th classes**
- **More than 300 homeowners benefitted from the police department’s unoccupied home checks**
- **Workplace safety programs**
- **ALICE Training**

# Police Department

## *Police Fund Notables*

- **\$330,000 for 8 new road patrol vehicles as replacements**
- **\$60,000 for firearm replacements to be charged to the Drug Law Enforcement Fund**
- **\$40,000 for repairs to firing range used for officer training to be charged to the Drug Law Enforcement Fund**

