

HALFMOON TOWNSHIP 2009 BUDGET MESSAGE

Fiscal responsibility dictates that the municipality provide for the general health, safety and well-being of our residents. This Budget, as with those of recent years, reflects the Board's commitment to provide outstanding services at an affordable cost.

Through innovative methods and the application of sound management principals, the township roads have been well maintained, without large increases in millage rates. Staff productivity has been enhanced through professionalization, computerization and other forms of technology. Public works operations have been improved through the utilization of an expanded equipment fleet.

This budget affirms the Board's dedication to sustain quality services through outstanding maintenance of township roads and to provide for the general safety of our community.

EXPENDITURES

Consistent with expenditure patterns in rural municipalities, primary budget expenditures are road maintenance related. A percentage of this amount is earmarked for employee wages and benefits. As an employer, a significant cost for the municipality is employee benefits, which are vital to attracting and maintaining a productive, qualified staff. For many years our local government employees had no pension plan. In 2006, the first municipal Employee Pension Plan was instituted. This is a benefit that neighboring townships, as well as those across the state, have enjoyed for years. Road department personnel remains at 2 full-time employees with additional part time help during paving season as needed. Staff is frequently told by visitors that our roads are among the best maintained in the area.

Our truck fleet contains a 2008 GMC Sierra 3500 HD 4WD Work Truck, a 2006 Ford F550 T-Tag, a 2002 Sterling single axle, and a 1987 GMC 7000 single axle, all debt free. We also have a John Deere 570 Grader, a 210 John Deere Backhoe and a 970 John Deere tractor with a loader. During the past several years equipment has been added systematically to ensure superior road maintenance levels. Performing much of our own maintenance has expanded work-performance capability at minimal cost.

A portion of our annual budget is allocated for training, seminars and municipal association sponsored events. Our personnel utilize these opportunities for discussing common problems with peers and to bring back valuable information on new techniques for solving municipal problems and

increasing our ability to effectively perform our jobs. The value of funds expended for training has been eclipsed by the dollars saved or acquired as a result of our application of new methods and improved productivity.

REVENUE

The primary revenue source for our local government is the .5 percent earned income tax levied on residents (the other .9 of the income tax dollar goes to the school district). Growing over the past several years due to a steady influx of new families, the annual revenue from this source is now approximately \$360,000 annually, up from \$285,000 in 2003. The next largest source of revenue is the real estate tax. As new growth occurs, our total taxable real estate value increases. Township revenues have expanded as a result of growth in the value of a mill of real estate tax. Historically, the Board has worked within a limited budget, striving to maintain as low a millage rate as possible, while still providing sufficient services to maintain the safety and well-being of our residents. For many years, as the municipality has grown and expanded services, the tax rate remained at a 4.02 mill rate. This year the tax rate is still 4.02 mills. 1.12 of those mills are dedicated to preserving open space in the township through a very unique Open Space Preservation lease program. The remaining 2.90 mills pay for township expenses as listed on the general account budget.

In projecting expenditures for 2009, our biggest priority is road maintenance. Over \$250,000 has been allocated for the Road Department in 2009.

Administrative expenditures allows for an average 4% wage increase for employees, bringing our wages in line with those of neighboring municipalities and allowing for the increased work loads and increased work hours. Other items in the budget are comparable to previous budgets, with slight increases due to inflation.

LINE ITEM DETAIL – REVENUES

100.00 Cash Carryover – This item reflects the startup cash left in the checking account. This money is used to help pay expenses during the first three months of the year until tax revenue begins to come in.

TAXES

301.10 Real Estate Taxes – Current: This item is revenue received from the Township's rate of general fund millage.

301.40 Real Estate Taxes – Delinquent: This revenue is received from delinquent real estate taxes from prior years.

310.10 Real Estate Transfer Tax – The Township's rate is .5% and it is generated each time property is sold in the Township.

310.20 Earned Income Tax – Levied at a rate of .5% for the Township (plus .95% for the School District), this tax is steadily increasing as the population and earnings of the Township continue to grow. The tax is based upon Earned Income and Net Profits of township residents.

310.50 Local Services Tax – (previously known as Occupation Privilege Tax), the Township received \$5.00 from each person employed at a business located within the township. The tax is collected by the State College Borough and distributed to each municipality.

OTHER REVENUE SOURCES

320.20 Zoning Permits – Fees for acquiring a Zoning Permit ranging from installing a driveway to construction of a home. Fees vary depending on the permit and are adopted each year by resolution.

320.21 Warriors Mark Zoning Income – We currently have an agreement with Warriors Mark Township for the administration of their Zoning Ordinance by our Zoning Officer.

320.30 Sewage Permits – Permits issued for the construction of on-lot sewage.

- 321.80 Cable TV Franchise Fee – This is the franchise fee paid by the Cable Company and is based upon the number of subscribers in the Township and the gross revenues of the cable company.
- 330.00 Fines – Vehicle & Magistrate – These funds are received from the District Magistrate’s office for violations that the police issue a citation for in the township. A portion of each paid citation is given to the Township. These funds are also received from the County Probation office and the Commonwealth of PA.
- 341.10 General Interest Earnings – Revenue earned from the Township’s various checking and investment accounts.
- 342.20 Building Rental – This is the fees for residents using the meeting room of the municipal building for parties or meetings.
- 350.00 COG Building Lease – This is credit paid to the Township for COG’s lease of the new building.
- 354.04 Sewage Reimbursement Program – this is money paid to us by the State to reimburse the township for the septic permit applications based on a report turned in to the state by the township’s sewage enforcement officer.
- 355.01 Public Utility Realty Tax
- 355.05 Pension System State Aid – This is the first year that the Township will be eligible for the state to contribute to our pension program.
- 355.99 Foreign Fire Relief – This is money given to the township by the state and is from foreign fire insurance companies. The township must redistribute the money to the firemen’s relief companies that serve the township.
- 356.00 Game Commission Reimbursement for land they own in the township in lieu of real estate taxes.
- 361.00 Subdivision & Site Plans – fees for subdivision and site plan applications.
- 361.32 Engineer Reviews – reimbursements from various developers for engineering services.
- 361.35 Other Subdivision/Zoning Fees and Reimbursements – various reimbursements from developers for services regarding

subdivisions and land development and zoning not listed under other categories. This also includes reimbursement for the services of the solicitor.

- 361.36 Service Charges/Fees – Fees charged to cover postage and mailing of bills, etc.
- 361.50 Sale of Maps, Publications and Copies
- 364.10 Soil Testing/SEO Reimbursements – Reimbursements from developers for soil testing, perc testing, etc.
- 365.51 Dog Licenses – this is money that is sent to the County for selling dog licenses. The Township receives \$1 fee for each dog license we sell.
- 387.00 Donations
- 387.01 Health Insurance Reimbursements – this is a reimbursement by any supervisors that choose to join the townships group health insurance plan or dental plan. The Second Class Township Code mandates that Supervisors be allowed to participate in the plan, but the Board can adopt how much of the insurance, if any, is paid by the township and how much will be paid by the participating Supervisors. At this time, Supervisors must repay the township 100%.
- 389.00 Miscellaneous Income
- 389.01 Other/Soda/Concessions – This is money from the soda machines, etc.

LINE ITEM DETAIL – EXPENDITURES

- 400.00 Salaries of Supervisors – Each supervisor receives \$450 per quarter as compensation.
- 400.42 Subscriptions, Dues and Memberships – This covers the dues for belonging to PSATS, subscriptions to Township News, membership in PSATS for their CDL Drug & Alcohol Testing, etc.
- 400.46 Supervisors Meeting and Travel Expenses – designated for payment of supervisors' attendance at conventions, meetings, etc. as well as mileage expenses.
- 400.47 General Forum Hosting – Payment for Hosting of the General Forum meeting once a year. Covers food, decorations, etc.
- 401.10 Salary of Manager
- 401.11 New Manager Overlap – The current manager will be retiring in January of 2010. This item is to cover while 2 managers are being paid during the period of transition and training.
- 401.46 Manager Meeting & Travel Expenses – Manager Seminars, COG Meetings, etc., as well as mileage gets paid from this line item.
- 401.47 Manager Breakfast Hosting – Once a year each Centre Region Manager is expected to host the Managers Roundtable Breakfast.
- 402.00 Salaries of Auditors – Even though we have our audit done by a CPA Firm now, the Auditors are required by law to meet once a year to organize and set the salary for any working supervisor.
- 402.31 Audit by CPA Firm
- 402.46 Auditor Meeting & Travel Expenses
- 403.43 EIT Tax Collection Services – this covers the cost of State College Borough collecting our EIT and is done on a percentage basis.
- 403.45 Contracted Tax Services and Forms – This is for forms and tax services from RBA and the School District.

- 403.46 Tax Collector Meeting & Travel Expenses – This is for meetings and/or classes that the elected tax collector attends and for mileage.
- 403.47 RE Tax Collection – Fee paid to elected Tax Collector for collecting township portion of real estate taxes. Currently we pay \$2.00 per parcel.
- 404.31 Legal Fees – Solicitor – This is an estimate of the cost of legal services for the upcoming year. The actual expense will depend on the amount of legal services that are used in 2008.
- 404.34 Legal Ads – This account is used to pay for legal advertising in the Centre Daily Times, as required by law.
- 404.35 Bonds – Treasurer/Tax Collector/Admin.Asst/ZO – Bonds are placed on officers and employees that handle township funds.
- 404.47 Legal Services/Professional Service – This is used for legal services and professional services other than the solicitor.
- 404.49 Codification – We are currently in the process of having all of our Ordinances codified.
- 405.01 Open Space Preservation Program Administrator – We now have an administrator for the Open Space Preservation Program.
- 405.12 Salary Clerk – This line includes the salary for the Township Clerk.
- 405.31 OSPB Secretary – this line includes the pay for the Open Space Preservation Board recording secretary to attend meetings and prepare the minutes.
- 405.46 Clerk Meeting & Travel Expenses – this item is for any meetings and training for the township clerk as well as mileage reimbursements.
- 406.00 Copier Lease – We currently lease a copier from the Xerox Company. The contract includes maintenance and toner.
- 406.12 Salary of Zoning Officer/Administrative Assistant – This is the salary for the Zoning Officer/Administrative Assistant.

- 406.13 Warriors Mark Zoning Expenses – This covers the expenses incurred by the township for the administration of the Warriors Mark Township zoning ordinance by our zoning officer.
- 406.15 Postage – This covers the mailing of all township documents.
- 406.21 Office Supplies – This is for office supplies for all township staff and includes copy paper, general office supplies, storage boxes, toner and ink cartridges for printers, etc.
- 406.22 Computer Hardware & Software and Repairs – this is for purchasing computer related hardware such as memory, hard drive, printers, etc., as well as software programs such as QuickBooks Pro which will need to be updated completely every 3 years and the payroll program has to be updated yearly for new payroll tax information. It also covers computer repairs and maintenance as necessary.
- 406.25 Building Repairs/Cleaning and Cleaning Supplies – This is for the cleaning of the building meeting room and offices once a week and for the cleaning supplies. This will also be used to purchase any repairs for the building.
- 406.46 Zoning Officer Meeting & Travel Expenses – This is for any meetings or training that the zoning officer attends as well as mileage reimbursements.
- 408.00 Professional Engineer – Fees for the township engineer to review subdivision plans, roads, etc.
- 409.32 Telephone/2-Ways – This line accounts for the township's phone bills for the office and the maintenance building as well as the monthly fee for the 2 way radios.
- 409.36 Public Utilities – This line is for the electric bills for both the office and the maintenance building as well as the propane bill for the heating of the maintenance building.
- 411.01 & .02 Fire Protection – This line is for fire protection for both Port Matilda and Warriors Mark fire companies. The expense is based on .85 mills of the assessed value of real estate based on March of the previous year. Port Matilda receives 70% and Warriors Mark receives 30%.
- 411.35 Fire/Ambulance Workman's Comp – This is for workman's comp insurance for the fire company volunteers and is paid to Port

Matilda Borough. It also covers the Port Matilda EMS volunteers and that is also paid to Port Matilda Borough.

- 411.54 Foreign Fire Relief Expense – This is money we get in from the state from foreign fire insurance and must be paid out within 60 days to the fire relief associations that serve our fire companies. The exact amount we receive from the state must be paid out.
- 412.00 Emergency Medical Services – This is a donation from the township to the Port Matilda Emergency Medical Service. Port Matilda EMS provides ambulance service to the entire township.
- 414.22 Planning Commission Expense – This covers any mailings the PC may need to do or meetings/training sessions they want to attend.
- 414.30 Planning Commission Secretary – This covers a secretary attending meetings and providing minutes.
- 414.31 Centre Region COG – The majority of this goes to the Centre Region Planning Agency for township planning; also included is money for the contingency plan, emergency management, CCMPO and administration.
- 414.32 Upper Bald Eagle-Halfmoon COG – This is a newly formed Council of Governments between the townships of Halfmoon, Huston, Worth, Taylor and the Borough of Port Matilda. This expense covers items like legal ads they may have to place, etc.
- 427.44 Trash Cleanup-Riff-Raff Collection – This covers road cleanup and a once a year riff-raff collection that we started in 2008. The residents bring their riff-raff items to the Autumn Meadow township maintenance facility and they are hauled away from there.
- 429.31 Professional SEO Services – This pays for the fees of the SEO for his services.
- 429.38 Portable Toilet Rental – This is for the portable toilets located at both township parks. Portable toilets are rented for the Halfmoon Township Park on Municipal Lane all year long because of the high use of the park in the summer, spring and fall.
- 430.10 Salary of Roadmaster
- 430.12 Salary Public Works Laborer – This is the salary for the public works department full time employee.

- 430.14 This is used to pay an occasional part time worker for snow plowing or flagging, etc.
- 430.46 Public Works Travel & Training Expense – this is for training, conventions and classes for public works and for mileage reimbursements.
- 430.74 Capital Equipment Purchases – this is for large equipment purchases. Some of this line item money can be transferred from the Capital Reserve Fund to the general fund to help pay for large equipment purchases.
- 437.22 Petroleum for Trucks and Equipment – this is for the diesel fuel and gasoline for the public works department to run the trucks and equipment.
- 437.26 Equipment & Supplies – this is for equipment and supplies for the public works department and tools and this year the township is planning on purchasing a tar buggy.
- 437.37 Truck & Equipment Repairs & Maintenance – this is for repairs and maintenance of the public works vehicles and equipment.
- 439.00 Capital Construction/Maintenance – this is used for the repaving of township roads and berming and general road repairs and maintenance. It can also be used for stone and equipment rentals to prepare roads for repaving and maintenance.
- 447.45 CATA Bus Service – this year Halfmoon Township is planning on having CATA Bus Service for the second half of the year.
- 451.18 Salaries for Park & Rec Program – this is for the salaries for the summer park program workers and the park director and assistant director.
- 451.22 Park & Rec Program Supplies – supplies to run the summer park program including games, craft items and playground game equipment.
- 454.37 Park Maintenance and Repairs – maintenance to the parks such as mulch around the equipment as well as repairing picnic tables, keeping the pavilions in good repair and mowing and general maintenance.
- 456.01 Schlow Memorial Library Costs – This is determined through Centre Region COG based on the township's usage.

- 456.02 Centre County Library - Library Contribution to the Centre County Library & Bookmobile.
- 459.45 C-Net TV – township meetings are now aired on C-Net and also webstreamed for those who don't have access to Cable TV.
- 461.30 Open Space Legal Expenses – this is for legal expenses incurred in purchasing open space and the Wildlife Corridor Land.
- 461.54 Watershed Contribution – this is a contribution for the Spring Creek Water Shed Monitoring Project.
- 461.55 Spring Creek Contribution – this is for the Spring Creek Watershed Commission per our Agreement.
- 461.71 Wildlife Corridor – This is the purchase of development rights on some property in the township where a wildlife corridor is planned.
- 471.00 Mortgage on Maintenance Building – these are payments on the loan we took out at M & T Bank when we built the maintenance building.
- 483.15 Employer Contributions to Retirement – This year the Board of Supervisors elected to participate in the PSATS Retirement Pension Plan. After funding it for 3 full years, the state will pay towards this fund. At this time, the employees are also contributing towards the plan.
- 486.31 Supervisors Health/Dental Insurance – this is to pay for premiums for Supervisors electing to participate in the township group health and/or dental plan. Supervisors must reimburse the township for 100% of their premiums.
- 486.35 Liability & Other Insurance – this is the township's liability, WC and auto policy as well as the linebacker policy.
- 489.00 Miscellaneous Expenses
- 489.21 Copies – this is for map copying or any copies that cannot be made from our own copier.
- 489.22 First Aid Supplies – this is for the first aid supply cabinets located in each township building. There are many meetings held in the buildings as well as the summer park program so the Board elected to install first aid kits in both buildings in case of emergency.

- 489.30 Dog License Fees – this is what is used to pay the county for the dog licenses that we sell for them. The township keeps \$1 per license that we sell.
- 489.38 Uniforms, Cooler, Postal Scale – this is for the public works department uniforms rental; water cooler rentals for each building and the postal scale rental.
- 489.40 Hearings, Court Costs – for court stenographers and other court hearing costs.
- 491.00 Unencumbered Funds – this line item is used at the end of the year to balance the budget.
- 493.00 Capital Reserve – this is to transfer money from the General Fund to a Capital Reserve fund to save for a new township building.
- 493.01 Capital Reserve – this is to transfer money from the General Fund to the Capital Reserve fund to allow saving for the purchase of larger pieces of equipment such as maintenance vehicles.
- 493.02 Capital Reserve – this is to transfer money from the General Fund to a Capital Reserve fund to save for the purchase of new parkland, to improve present parks and purchase park equipment.
- 487.00 Employer Health/Dental – this is to pay the employer share of the health and dental premiums for employees.
- 487.15 Employer SS/MC – this is to pay the matching amounts for social security and Medicare for the employees as required by law.

STATE ACCOUNT REVENUES

- 100.00 Cash Carryover - Money in the checking account at the end of the year used to pay expenses until we receive the income from the state.
- 341.10 Interest Earnings – Revenue from investment of state fund money.
- 351.10 State Turnback – This is money from the Commonwealth for the township taking over maintenance of state roads.
- 351.20 State Liquid Fuels – Money from the Commonwealth based on the number of residents and the miles of road the township owns and maintains.

STATE FUND EXPENDITURES

- 432.00 State Snow & Ice Removal – this is for purchasing salt and stone grit for snow and ice control for township roads.
- 433.00 State Street Signs – this is for purchasing street signs for township roads and intersections.
- 438.00 State Maintenance to Highways – this is for berming and grading and general highway maintenance type items.
- 439.00 State Construction & Resurfacing – this is for building roads and repaving and major type construction and paving jobs.
- 491.00 State Unencumbered – this is used to balance the budget at the end of the year.

STREETLIGHT REVENUE

310.90 Streetlight Charges – this is revenue based on a front foot assessment charged to residents who live in proximity to street lights. This revenue is received from the assessment which is paid as part of the property real estate tax bill.

STREETLIGHT EXPENSES

412.10 Streetlight Electricity – this is used to pay Allegheny Power for the streetlights in the township.

OPEN SPACE PRESERVATION REVENUE

- 100.00 Cash Carryover – funds left in account for future payments for leases.
- 301.12 RE Tax – Ag Preservation – this is income generated through the real estate tax bills for the 2 mills of open space real estate tax.
- 342.10 Interest Earnings – revenue from investment of the open space preservation fund.

OPEN SPACE PRESERVATION EXPENSES

- 489.00 Open Space Preservation Attorney Fees for deed preparation, etc.
- 489.01 Development Rights Lease – this is to pay the lease payments for the applicants that are currently enrolled in the program as well as new applications that have been received in time for 2008.
- 489.02 Future Lease Payments – this is saved for future payments and future applications for the open space preservation program.
- 489.03 Wildlife Corridor – For the purchase of development rights on land in the township to become a wildlife corridor. This will also come from funds from the General Fund.