



November 2, 2016

The 2017 Chadds Ford Township Preliminary Budget is respectfully submitted to the Board of Supervisors and the citizens of Chadds Ford Township. As presented, this spending plan will allow Chadds Ford Township to continue to provide excellent municipal services and programs, with a 0% tax increase proposed.

The Preliminary Proposed General Fund Budget is balanced and includes \$1,052,356 in expenditures, reflecting an approximate 13% decrease from the 2016 budget, due primarily to the completion of large 2016 projects (Act 537, Zoning Update, Comprehensive Plan Update), better cost containment through RFP process, no interfund transfers proposed at this time, and better management of contracted services.

In addition to the General Fund, the Township has six additional governmental funds. The 2017 proposed expenditures for all funds is \$1,403,876.

<b>Governmental Funds</b>	<b>2017 Proposed Expenditures</b>
<b>General</b>	\$1,052,356
<b>Capital Improvement</b>	\$15,000
<b>Infrastructure</b>	\$100,000
<b>Liquid Fuels</b>	\$125,000
<b>Open Space</b>	\$101,520
<b>Fee-In-Lieu</b>	\$10,000
<b>Stormwater Operation &amp; Maintenance Fund</b>	\$0
<b>TOTAL</b>	<b>\$1,403,876</b>

**BUDGET OVERVIEW & PROCESS**

The process of developing this year’s budget included a comprehensive look at all of the financial areas of the Township’s operation, levels of service, capital needs, and availability of resources. The formal process of the 2017 budget began in late August with staff meetings. After evaluation and revisions during the month of September, a draft budget was developed and given to Board members in October for individual discussions regarding the proposed budget and long range capital planning.

**GENERAL FUND REVENUES**

Real Estate Tax

The 2017 Chadds Ford Township Real Estate Tax is based on an anticipated total assessed value of \$540,051,313 (2016 assessment). The proposed standard tax rate of .787mills and the additional tax rate of .095 mills for fire hydrant service reflect no change from the 2016 rate.

The average real estate assessment of a residential property in Chadds Ford Township is approximately \$295,500 which equates to an approximate average Township real estate tax bill of \$233.00.

There are two separate funds that receive dedicated funding from the Real Estate Tax. The chart below reflects the millage of each fund.

<b>Tax Fund</b>	<b>2015 Rates</b>	<b>2016 Rates</b>	<b>2017 Proposed Rates</b>
General Fund:			
General Government	.495	.495	.495
Rachel Kohl Library	.012	.012	.012
Fire Hydrant Service	.095	.095	.095
Open Space Fund	.280	.280	.280
<b>TOTAL REAL ESTATE TAX MILLAGE</b>			
With Hydrant	.882	.882	.882
Without Hydrant	.787	.787	.787

It should be noted that the Chadds Ford Township portion of a resident’s Real Estate Tax bill is minimal compared to the County and School District portion. In fact, in 2016 Chadds Ford Township had the third lowest millage rate out of 49 municipalities in Delaware County. The following chart illustrates Real Estate Taxes paid by Chadds Ford Township residents this year.

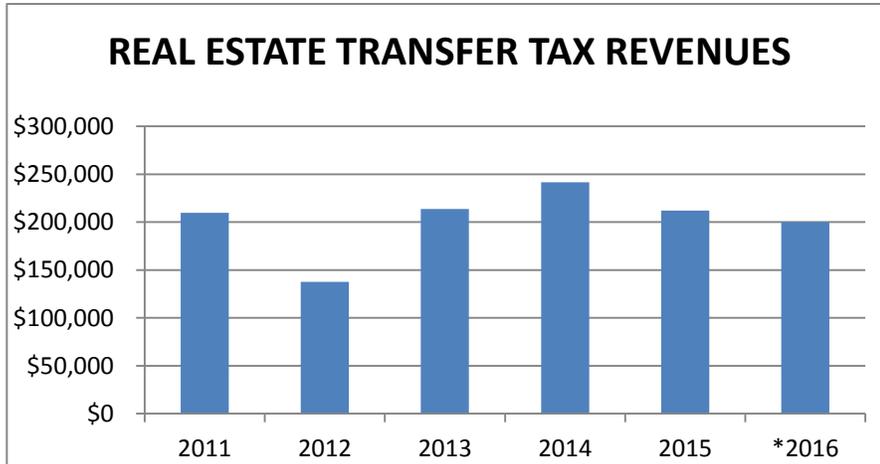
<b>2016 TOTAL REAL ESTATE MILLAGE</b>	<b>2016 Unionville Chadds Ford School District</b>	<b>2016 Delaware County</b>	<b>2016 Chadds Ford Township</b>
29.951	23.56	5.604	.787

Based off of an average assessment, the next table further outlines what the average tax payer contributes to each taxing authority.

<b>Average Assessment</b>	<b>Total Real Estate Tax Bill</b>	<b>Unionville Chadds Ford School District</b>	<b>Delaware County</b>	<b>Chadds Ford Township</b>
\$295,500	\$8,851	\$6,962	\$1,656	\$233

Real Estate Transfer Tax

The Real Estate Transfer Tax is levied at ½ of 1% of the value of all real estate that transfers within Chadds Ford Township. Since 2011, the average of Real Estate Transfer Tax revenue as outlined in the chart below is \$202,342. (\*2016 data is projected).



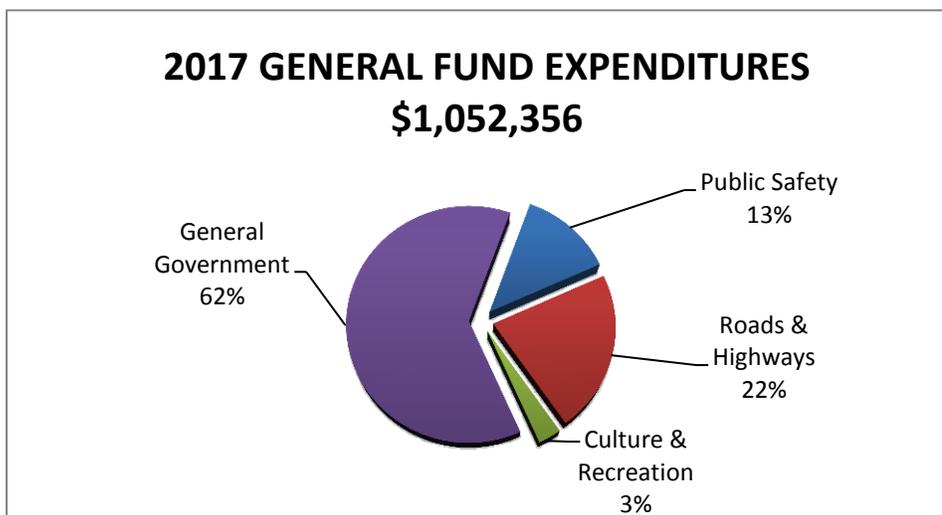
Business Privilege Tax & Local Services Tax

The Township’s Business Privilege Tax levies \$100 per year to any business registered in Chadds Ford Township, and is collected by Keystone Collection Services. Since 2011, the tax has brought in approximately \$138,044 in revenues to Chadds Ford Township.

The Township’s Local Services Tax levies \$52 per employee working in Chadds Ford (CFT residents exempt). The tax is collected by Keystone Collection Services. Since 2011, the tax has brought in approximately \$661,490 in revenues to Chadds Ford Township.

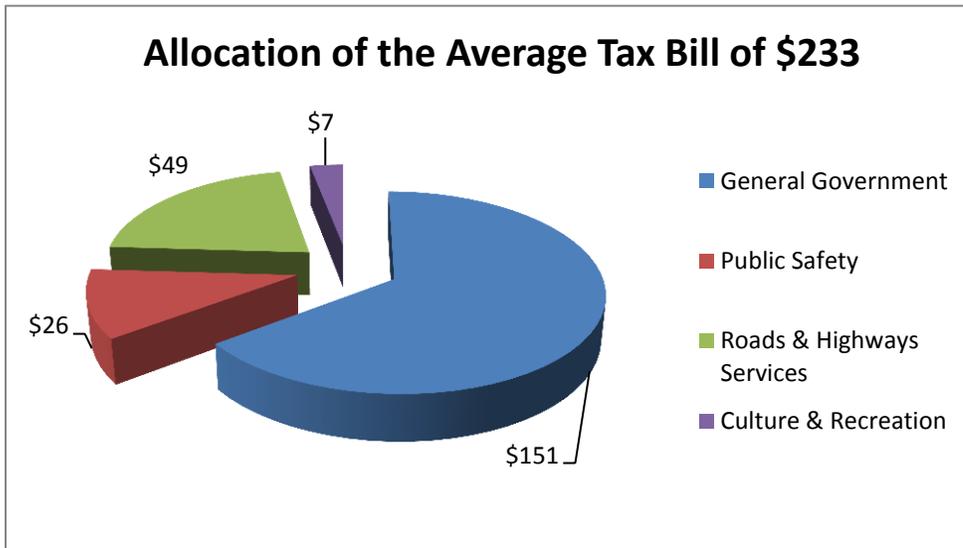
**GENERAL FUND EXPENDITURES**

The primary expenditure category in the General Fund is General Government at \$655,656, which makes up 62% of the General Fund budget. This category is comprised of professional services, tax collection, planning, engineering, contracted services, salaries, building maintenance and insurance.



The average tax payer remits approximately \$233.00 per year to Chadds Ford Township for Township services. Those services include: personnel, general administrative, tax collection, buildings and codes, contracted public works for roads maintenance, professional services, snow removal, fire service, engineering, zoning, contracted codes enforcement, public safety, animal control, parks and trails maintenance, etc.

To better highlight where the average resident’s tax dollars are allocated, please refer to the chart below.



**OTHER FUND HIGHLIGHTS**

Liquid Fuels Fund

The Township’s Liquid Fuels Fund is comprised of monies received by the state through part of the liquid fuels, fuels and oil company franchise tax proceeds. Expenditures are restricted for the use of road construction and other related road expenditures as allowable by the state. The 2016 year-end balance is projected to be \$92,214. In 2017 the Township expects to receive \$107,560, an increase of 5% in revenue from 2016. The 2017 Road Program anticipates expenditures in the amount of \$125,000, which includes two road paving projects: (1) Beechwood Circle and (2) Top of the Oaks.

Infrastructure Fund

The Township’s Infrastructure Fund is comprised of monies received through developer agreements. The 2016 year-end balance is projected to be \$1,926,600. In 2017 we anticipate expenditures in the amount of \$100,000 for the rebuilding of the Heyburn Road Culvert.

Open Space Fund

The Township’s Open Space Fund is funded through real estate tax monies and the anticipated 2016 year-end balance is projected to be \$1,480,300. This fund is restricted to the purchase of land, recreation projects, parks, maintenance of current open space, planning and for miscellaneous expenditures related to open space not paid for by the General Fund. In 2017 we anticipate the following expenditures: Harvey Run Trail Grant Match and DCNR’s Grant Match for the update to the Township’s Open Space Plan. In addition, in 2016 the Board of Supervisors authorized a Walkable

Chadds Ford sub account to be opened solely for Walkable Chadds Ford expenditures. The anticipated 2016 year-end balance is projected to be \$53,215. In 2017 we anticipate the following expense: a William Penn Grant Match for engineering and design work.

## **CONCLUSION**

This budget is the culmination of a collaborative process that started in August, and I am grateful for the dedicated work and time spent by everyone involved. This proposed preliminary 2017 budget balances a variety of needs, focuses both on short and long-term initiatives, and reflects strategic planning priorities.

This budget will be a valuable tool in making the important decisions that will impact the citizens and township government during the next year. The Township staff will continue to put forth the efforts necessary to professionally and ethically manage Chadds Ford Township by being fiscally responsible, transparent and accountable in an effort to deliver the best services to our tax payers.

I am honored to serve the Board of Supervisors and the citizens of Chadds Ford Township; and, with the Board's leadership, we look forward to the challenges and opportunities ahead in 2017.

Respectfully submitted,

Amanda Serock  
Township Manager