

Pocono Township 2023 Proposed Budget Summary

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This presentation summarizes the following areas considered as part of the 2023 Pocono Township Budget:

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- Capital Fund Priorities
- Sewer Operating & Construction Funds
- American Recovery Plan Act (ARPA) Fund

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2023 General Fund Revenue Summary

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2023 General Fund Revenue

- Total General Fund Revenue – \$9,131,341.00

An additional transfer of \$541,007.00 from the Township's Fund Balance is required to balance the \$9,672,348 budget and close operating deficit.

The "Top 3" Sources of Revenue (expressed as % of total)

- Real Estate Taxes - \$4,426,581.46 (48%)
 - Earned Income Tax (EIT) - \$1,600,000.00 (17.5%)
 - Amusement Tax - \$800,000.00 (8.8%)
- Budget also reflects continued increases in permit activity which has resulted in additional Building & Zoning permit fee revenue.

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2023 General Fund Revenue

- Other Factors Influencing Township Revenues
 - The Township's Total Assessed Value continues to diminish each year as the County grants successful property tax appeals, meaning the current tax rate generates less property tax revenue each year.
 - Consumer spending and market activity drives revenue from services (i.e. – a strong economy = more building activity = more building permit revenue).
 - The Township continues to pursue an aggressive grant strategy to secure funds for capital improvements and operational expenditures.

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2023 General Fund Expenditures Summary

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2023 General Fund Expenditures Summary

- Total GF Operating Expenditures - \$7,943,215.93
This is less a \$1,194,131.58 transfer to the Capital Fund and \$535,000 of debt service for a new municipal complex.
- The “Top 3” Expenditures (expressed as % of total)
 - Police Services - \$3,572,468.38 (45%)
 - Public Works - \$1,621,968.25 (20%)
 - General Government - \$1,344,083.82 (17%)
- Increases in Township expenditures are largely driven by the cost of providing services and contractual personnel costs.

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2023 General Fund Expenditures Summary

- New Municipal Complex Considerations
 - Pocono Township’s aging municipal facilities require the Township to evaluate options for a new municipal complex to better provide for police, administrative and community services.
 - The Township has engaged in architectural feasibility analysis of onsite and offsite options for new municipal facilities.
 - The 2023 Budget includes a new debt service line of \$535,000. Township financial consultants have confirmed this amount is necessary to borrow \$8 million toward the cost of new municipal facilities.
 - The proposed budget also includes projected increased operational costs associated with a new municipal complex.

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2023 General Fund Expenditures Summary

- Other Factors Influencing Township Expenditures
 - Pocono Township is affected by rising inflation. Township vendors have increased costs precipitously, which requires the Township to increase line items accordingly to continue providing a consistent level of service.
 - The Township negotiated a new Collective Bargaining Agreement with the Public Works union in 2022 which, despite mutual concessions, reflects increases in Township personnel costs.
 - The Township continues to return taxes paid by Camelback associated with the TIF incentive received for their previous Aquatopia expansion. This amounts to a \$218,000 refund for 2023.

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2023 Proposed Millage Increase

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2023 Millage Rate Increase

- Pocono Township's current 2022 millage rate is 2.429 mils.
 - A mill is "one dollar for every \$1,000 of a property's assessed value."
 - Therefore, Township property owners currently pay \$2.43 for every \$1,000 in assessed value.
- Largest Cost Drivers for 2023 Budget
 - New Municipal Complex Borrowing** - \$535,000 needed for an \$8 million bond.
 - Capital Fund Needs** – Funds continue to dwindle for capital needs, including paving projects and large equipment purchases. Absent a tax increase, the 2023 capital transfer will pull the Township's safety net down to the lowest % required for a budgetary safety net.
 - Operational Costs** – Personnel costs driven by union contractual obligations and the operation of a single-municipal Police Department.

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2023 Millage Rate Increase

- The 2023 General Fund Budget includes a proposed 1 mill tax increase, to offset the Township's continued stagnant revenues, for a total new rate of 3.429 mills.
- Tax Impact of 1 mill in Real Numbers (Annual Cost to Taxpayer):

PROPERTY TAX IMPACT OF 1 MIL TAX INCREASE (ANNUAL COST TO TAXPAYER)			
Property Value Range	\$200,000 Assessed Value	\$300,000 Assessed Value	\$400,000 Assessed Value
Total Tax Increase	\$200.00	\$300.00	\$400.00

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2023 Millage Rate Increase

- Under 2023 Monroe County millage rates, for every \$1 paid in property taxes, 13 cents goes to Pocono Township.



2023 Capital Fund Summary

2023 Capital Fund Expenditures Summary

- The 2023 General Fund Budget includes a transfer of \$1,194,131.58 to the Capital Fund.
- The bulk of the Township's Capital Fund transfer (\$864,120.06) is for 2023 paving and road maintenance projects.
- The Capital budget reflects numerous grant-funded projects, which has helped reduce pressure on Township funds for infrastructure projects and equipment purchases.
- Capital priorities include police equipment, a new street sweeper, traffic light upgrades and continued park improvements.

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2023 Sewer Operating & Construction Funds Summary

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2023 Sewer Operating & Construction Funds Summary

- The Township sewer fund continues to perform well, with small increases in revenue as new customers connect to the system.
- Increased revenues are expected as the Great Wolf expansion project concludes in 2023.
- The Township continues to pursue design, permitting and construction of additional sewer line extensions in existing Act 537 service areas.

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2023 American Recovery Plan Act (ARPA) Fund Summary

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ARPA Fund Summary

- Pocono Township has received a total of \$1,162,511.78 in federal ARPA funding.
- The Township continues to strategically plan the use of these funds, allocating funding for park improvements and major capital projects.
- 2023 ARPA priorities include covering engineering design services for the Township's SR 611 sidewalk project and the proposed Learn Road roundabout with safety enhancements. In addition, the Township will use ARPA funds for consultant services to update the Zoning Ordinance.