

MEMO

TO: Pocono Township Taxpayer

FROM: Pocono Township Administration

RE: Explanation of 2023 Pocono Township 1 Mill Tax Increase

The Pocono Township Board of Commissioners implemented a *one mill* tax increase for 2023 to address continued stagnant revenues, an ongoing budget deficit and significant personnel-driven cost increases. In addition, the Township has been taking definitive steps to plan for the renovation and/or relocation of the Township municipal facilities.

In real numbers, *one mill* is equivalent to \$100 for every \$100,000 in assessed value. Therefore, if Monroe County assigns a property an assessed value of \$200,000, a one mill tax increase is \$200.

The Township exists primarily to provide public services to residents – including police/public safety, roads, parks and permitting – which means the majority of the Township’s General Fund is comprised of *personnel costs* required to provide these services. These costs increase each year due to numerous factors, including union contractual obligations, salaries and healthcare costs.

Throughout last fall, the Board of Commissioners held a series of public budget work sessions and public meetings where they reviewed the Township budget line-by-line. While the vast majority of budget lines remain at 0% increase, or were even reduced, the fact remains that there are *three primary areas* that have significant impact on the Township budget:

- 1) Personnel Costs and Continued Operational Increases** – As discussed, personnel costs required for providing Township services account for the highest percentage of the Township budget. The Police Department comprises 46% (\$3.57 million), Public Works 21% (\$1.6 million) and General Government Administration 14% (1.1 million) of total operational expenditures. The Township has streamlined its staff needs and is committed to continuing to provide these critical services without compromising quality.

In addition, Pocono Township is subject to the same market forces and inflation as the rest of the economy. Many Township vendors have implemented surcharges on purchases of 20% or greater and all material costs have increased – including road salt and antiskid – while Township revenues remain stagnant or in decline.

- 2) Dwindling Capital Funds** – The Township’s capital fund is critical for funding road paving, large equipment purchases and public works/park capital projects. The public bid for 2022 road paving projects came in 50% (over \$600,000) higher than the previous year, forcing the Township to cut miles of planned paving out of the budget. Dump trucks, public works equipment, police vehicles, plastic pipe, concrete and all materials have increased in cost. The capital fund has declined beyond what must be sustained to continue planned paving and Township projects.
- 3) New Municipal Complex** – The Township continues to operate out of undersized municipal facilities, which were last renovated or built over 30 years ago. Existing facilities do not meet the safety and space needs for the Police Department in particular. Current plans include options to build a new facility onsite or to renovate facilities at another property of interest in the Township. Unfortunately, with annual increases in construction costs, the Township cannot afford to continue to delay much needed facility improvements.

While the Township has taken every step to avoid increasing real estate taxes – including implementation of a 5% amusement tax largely paid by non-residents – Township taxes still make up just 13 percent of every tax dollar paid by Township residents (versus 74 percent to the School District). That 13 percent provides police service, roads, parks, and administrative services (among others) for our residents.

To learn more, or to view the Township budget in its entirety, please visit www.poconopa.gov.

2023 Pocono Twp Budget by the Numbers

