

MILLERSVILLE BOROUGH

2014

BUDGETARY INFORMATION

Municipal Budgetary Overview for Lancaster County:

The local demographics of the 60 municipalities in Lancaster County play significantly into the unique budgetary aspects of each. In comparing the chief revenue source for the 18 Boroughs including the City of Lancaster one must determine the taxable assessments available. Millersville Borough has the notoriety of having the largest tax exempt assessment in Lancaster County at 39%. That means the other 61% of assessment is responsible for funding the entire operating budget. 44% of the operating budget is financed through our tax millage rate applied to the taxable assessments balancing the 2014 budget at the current rate (2012/2013) of 5.45 mills. For 2013, Millersville Borough holds the fourth highest millage rate throughout the County when including Lancaster City; however, Lancaster City's rate is 13.04 and Columbia Borough's is 8 mills, each substantially higher than Millersville Borough.

Townships throughout the county have the advantage of increased taxable assessments from real estate developments, chiefly due to vacant land. Due to their populations and per capita income, the earned income tax is accountable for the greater part of all their revenue. However, in these economic times even the Townships are affected by decreased income tax revenue and a slowdown in construction. The Boroughs and Lancaster City's revenues are the reverse of that scenario with limited land for development and low per capita incomes to tax.

On the expense side, governmental entities with union labor are subject to contracts that determine eventual labor costs. Labor costs and associated fringe benefits are the chief expense in municipal budgets. Labor contracts are usually multi-year, restricting municipal employers to negotiate at specific times depending on contract duration. Millersville Borough has 2 unionized labor forces. The non-uniform group's contract expires at the end of 2015. The police contract was arbitrated and expires at the end of 2016.

MILLERSVILLE'S BUDGETARY COMPONENTS

REVENUES

ALL PROPERTY TAX INCOME (46%) ---CHIEF REVENUE SOURCE

- A) GENERATED BY PROPERTY ASSESSMENTS: 39% percent of our entire assessment is non-taxable. We have the highest non-taxable assessments in Lancaster County. (Exemptions are comprised of Millersville University, Penn Manor School District and Student Lodging.) Student Lodging, a non-profit entity of the University filed and received an exempt status for property taxes in 2012. They have agreed through an in lieu of tax agreement to replace annually all Borough tax revenue lost as a result of their exemption status. This is a considerable annual benefit to the Borough.
- B) LOCAL TAX ASSESSMENT COMPOSITION: Only 9.8% of our taxable assessment is attributable to non-residential type properties.
- C) BUDGETARY CONSEQUENCES: Any increase in taxes falls almost exclusively on residential properties.

REVENUE AFFECTED BY ECONOMIC FACTORS:

- 1) **HOME AND BUSINESS PROPERTY SALES (Property Transfer Tax)**
Property sales have increased only slightly throughout the county and have resulted in the continuance of historically low transfer tax revenues.
- 2) **EMPLOYMENT (Local Services Tax)**
The local \$52 dollar per employee annual service tax revenue is not influenced significantly by changes in the economic climate because Millersville University, as the Borough's chief employer, is not as severely influenced as private industry because they have multiple funding sources supporting their workforce.
- 3) **EARNED INCOME TAX (Payroll withholding)**
Due to the final transition of tax collections under PA State Act 32 and improved tax bureau system collections, tax revenues increased in 2013. In 2014, the revenue stream is expected to stabilize at approximately \$450,000.
- 4) **INTEREST INCOME**
Interest earned on bank investments continues to reflect historically low levels and only contribute nominally as income.
- 5) **ZONING/CONSTRUCTION PERMITS**
Contrary to statewide economic construction indicators, the University is expected to continue some major capital improvement projects that require local zoning and construction permits. Permit amounts are based on construction values. The University is planning to build phase 2 of its student dormitories in 2014. Permit income is expected to increase to reflect this multi-million dollar construction activity.

MAJOR EXPENDITURES

- 1) Millersville Borough is a typical municipal public service entity with a majority of its anticipated expenses (70%) going for labor and labor associated costs. The 2014 budgets reflect contractual wage increases of 2.5% for the police union and 3% for the non-uniform union contract. Medical benefit plan expenses continue to increase beyond the inflation rate. Our budgeted amount for 2014 has been increased 15%.
- 2) Approximately 51% of our budget is for providing police services. A new police officer was approved in 2013 increasing the total to 13 uniform positions.
- 3) Community Service Contributions which chiefly include the Blue Rock Regional Fire District has decreased by approximately 1% as the organization continues operating efficiencies regionally for Millersville Borough and Manor Township. Total fire services represent the average residential assessment taxed at approximately one half a mill or \$60 per year.

OTHER HIGHLIGHTS FOR 2014

GENERAL OPERATING FUND

On the expenditure side, the \$3,256,458 budget is 5.7% above the 2013 amount. The CPI is expected to fall at about 2%. The budget was balanced with the same 5.45 tax rate as 2013. The average residential property is assessed at \$123,760 producing a base tax bill of \$674.49 annually. The staffing levels (13 police officers and 15 non-uniform employees) have changed from 2013 with an addition of a new police officer. A \$27,000 transfer is budgeted to cover the cost of a new police vehicle.

General Capital Reserve Fund

In 2014 a high mileage police vehicle will be replaced. New code enforcement and rental license software will be replaced for the administrative department.

Wastewater Operating Fund

There is no change in quarterly sewer service charges. (Residential \$110) (Commercial \$167.30) The expense budget has increased 1.6%. Income from the University agreement increased 30% or \$90,000 as a result of a volume increase in treatment at the Wastewater Plant.

Wastewater Capital Reserve Fund

The 2014 Capital budget incorporates a delayed West Frederick Street Phase 2 infrastructure project recognizing a CDBG grant of \$250,000 in revenue. New more energy efficient digester blowers (\$260,000) will be installed in 2014. The (\$93,050) tapping fee revenue item reflects the completion of construction of the commercial triangle at Wabank Road and Barbara Street. The University will reimburse the Borough by agreement for \$151,000 of Capital improvements.

Highway Aid Fund

The Borough Streets Department will overlay several street locations throughout the Borough. These areas do require sidewalks and associated ADA type expenditures which are budgeted at \$68,000.

Solid Waste Fund

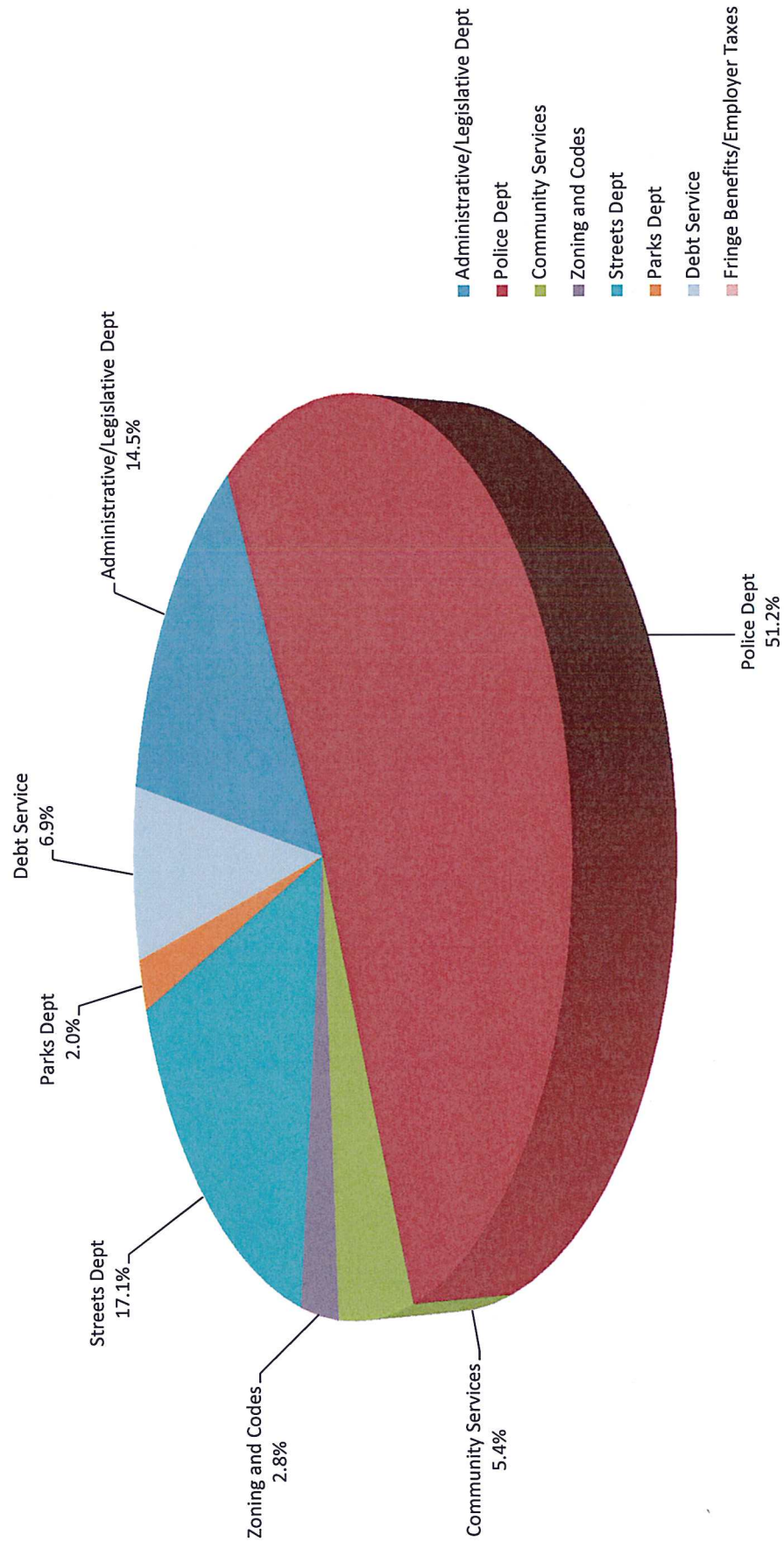
There will be no change in the quarterly charges for residential solid waste removal in the Borough for 2014. The fee is \$55 per quarter. The Borough has to renew the contract in 2014.

Educational Service Agency Fund

Total expenses were reduced by 20% as the County's 911 radios were purchased in 2013. Total expenditures of \$27,800 are split with the Penn Manor School District.

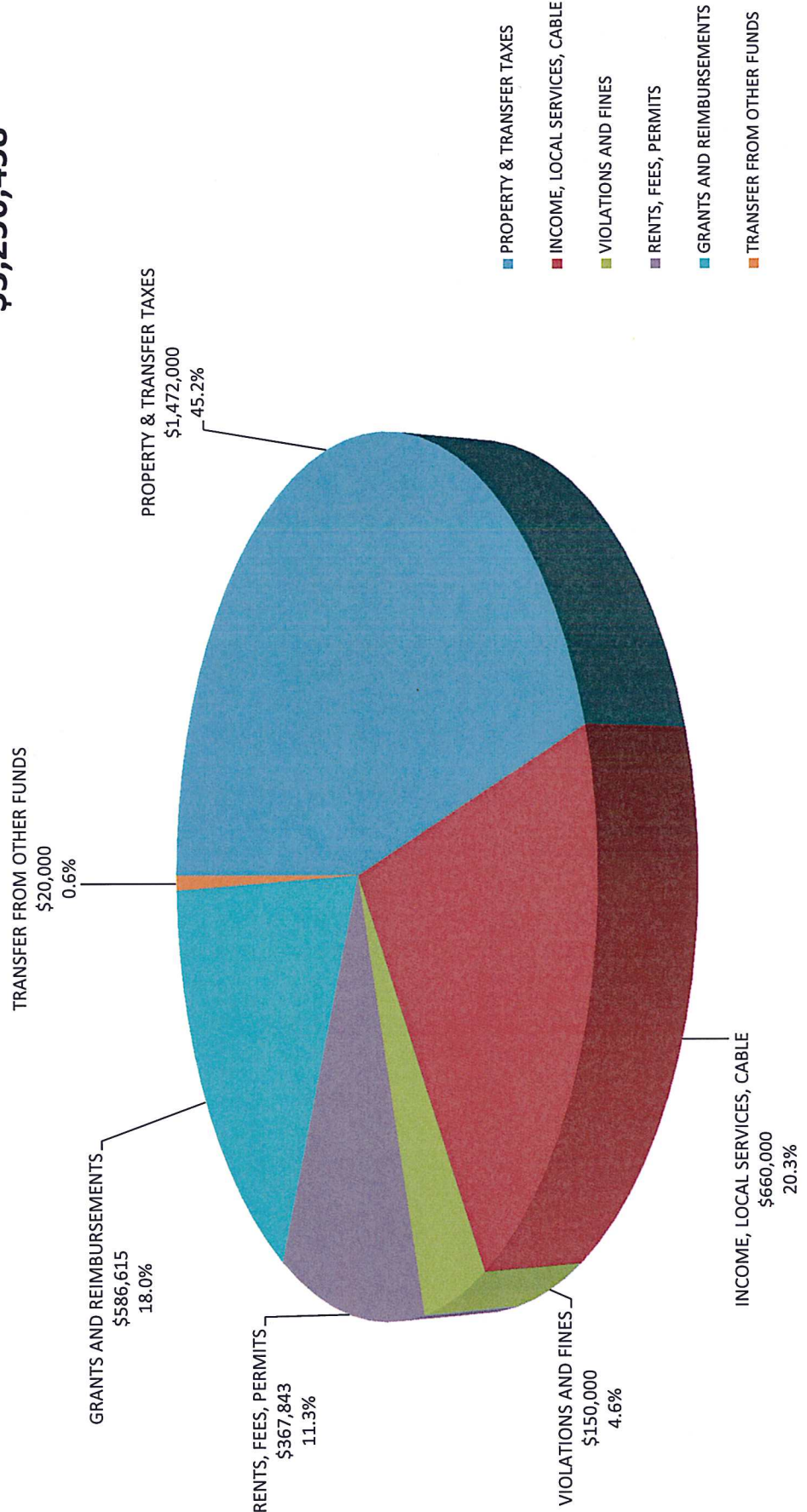
MILLERSVILLE BOROUGH

GENERAL OPERATING FUND BUDGET 2014 DEPARTMENTAL SERVICES



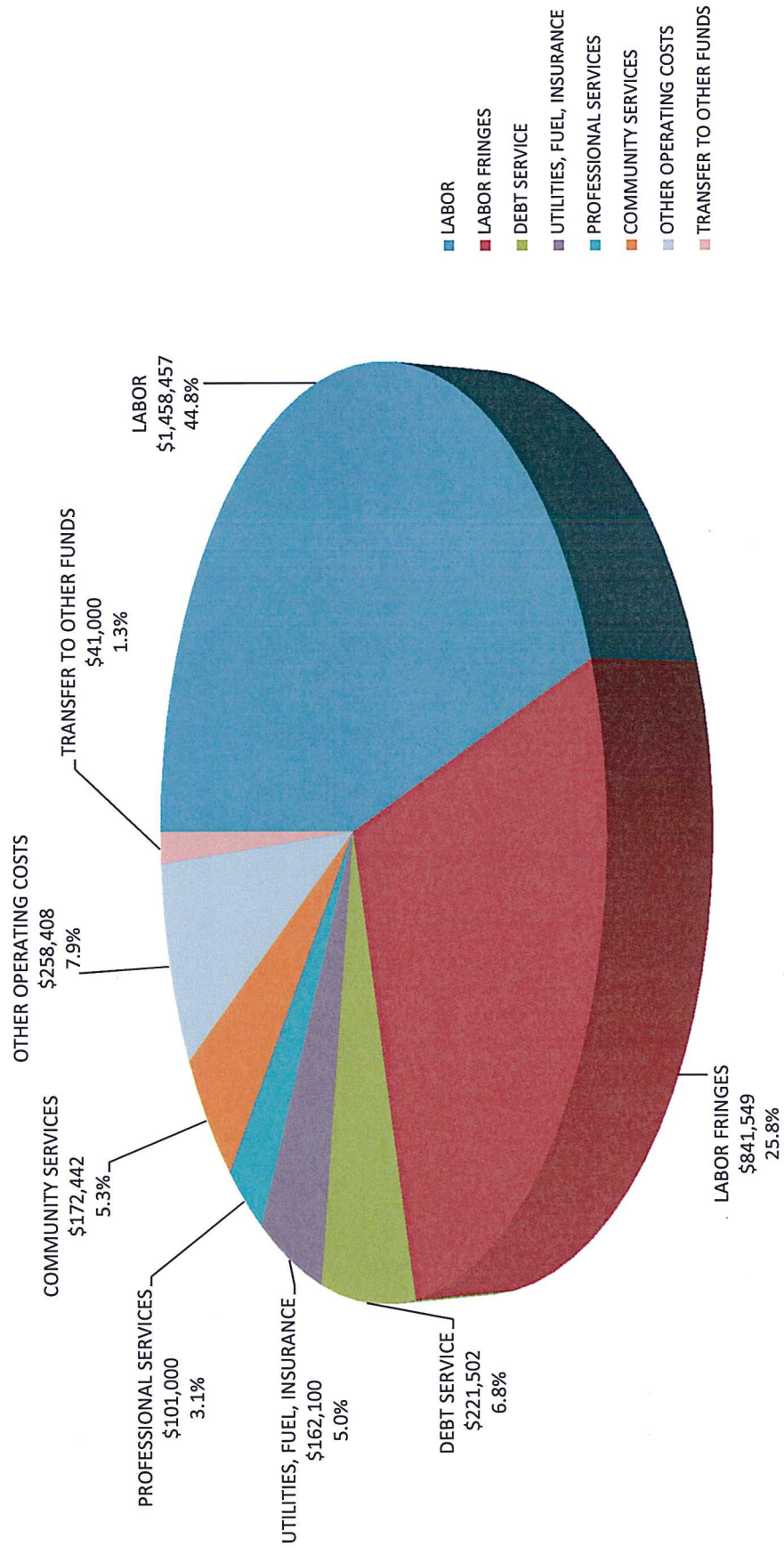
MILLERSVILLE BOROUGH

GENERAL OPERATING FUND BUDGET 2014 REVENUES \$3,256,458



MILLERSVILLE BOROUGH

GENERAL OPERATING FUND BUDGET 2014 EXPENDITURES \$3,256,458



MILLERSVILLE BOROUGH
2014 BUDGET

	GENERAL FUND	2014 Budget	2013 Budget
	REVENUES		
	Real Property Taxes	0.00545	0.00545
01-301-100	Real Estate Tax -Current Year-	1,388,000	1,380,769
01-301-200	Real Estate Taxes- Prior Year	1,000	1,000
01-301-300	Real Estate Taxes- Delinquent	12,000	12,000
01-301-500	Real Estate Transfer Tax	58,000	48,000
01-301-600	Real Estate Taxes- Interim	13,000	13,000
	Total Property Taxes	1,472,000	1,454,769
01-310-210	Earned Income Tax	450,000	416,000
01-310-510	Local Services Tax	125,000	125,000
01-310-800	Cable Television Franchise	85,000	85,000
	Total Income, Local Srv, Cable Franchise Taxes	660,000	626,000
01-331-100	Court Fines	10,000	12,000
01-331-110	Vehicle Code Violations	37,000	37,000
01-331-120	Violations of Ordinances	48,000	50,000
01-331-130	Parking Fines	55,000	62,000
	Total Violations and Fines	150,000	161,000
01-361-010	Public Utility Realty Tax	2,800	2,800
01-361-030	Subdivision and Land Dev.Appl. Fees	500	500
01-361-050	Alcoholic Beverage Taxes	600	600
01-361-100	Interest Earnings	2,000	2,500
01-361-105	Parking Permits	1,600	1,600
01-361-110	Sale of copies of accident reports	1,000	1,000
01-361-250	Street Encroachment	900	900
01-361-290	Rent of Buildings	30,000	30,000
01-361-300	Rent of Water Tower	92,193	92,193
01-361-305	Park Rentals	5,200	5,200
01-361-310	Stormwater Mngmnt Application Fee	1,000	1,000
01-361-330	Zoning Permits	51,000	78,000
01-361-340	Zoning hearing Fees	2,400	2,000
01-361-350	Housing Hearing Fees	100	100
01-361-400	Plan Review Fees	200	200
01-361-410	Building/Construction Permits	125,000	38,000
01-361-420	Business Licenses and permits	800	800
01-361-480	Housing Licenses	44,000	45,500
01-361-500	Sales of maps and publications	50	50
01-361-600	Tax Certification Fees	5,000	3,500
01-361-620	County Tax Collection Commission	1,500	1,500
	Total Rents, Fees and Permits	367,843	307,943
01-363-110	Payments in lieu of taxes	110,300	108,000
01-363-200	Reimbursements-Police Salaries	67,000	65,000
01-363-380	Miscellaneous Revenue	6,000	6,000
01-363-403	Engineering Cost Reimbursements	20,000	20,000
01-363-405	Federal & State Grants	61,640	25,000
01-363-410	County Drug Taskforce	78,655	75,830
01-363-411	Foreign Fire Insurance Premiums	46,000	42,000
01-363-415	PA Act 205 Pension Aid	155,800	136,500
01-363-416	Reimburse Non-Uniform Pension Contribution	34,220	36,777
01-363-420	Refunds of Prior Year Expenses	7,000	5,000
	Total Grants and Reimbursements	586,615	520,107
	Total Revenues	3,236,458	3,069,819
01-392-396	Transfer from Park Trust fund	20,000	10,000
	Total Revenues and Transfers	3,256,458	3,079,819

MILLERSVILLE BOROUGH
2014 BUDGET

	GENERAL FUND	2014 Budget	2013 Budget
	EXPENDITURES		
01-401-100	Manager's Salary	36,014	35,273
01-401-105	Mayor's Salary	2,400	2,400
01-401-110	Council Salaries	16,800	16,800
01-401-130	Salaries Clerical	58,557	57,343
01-401-183	Overtime Pay	300	300
01-401-200	Office Supplies	2,500	2,500
01-401-305	General Expense-admin	2,700	2,700
01-401-311	Accounting and Audit Services	16,000	15,500
01-401-313	Engineering services	40,000	48,000
01-401-314	Legal services-General	14,000	14,000
01-401-315	Legal Services-Zoning & Planning	10,000	20,000
01-401-316	Labor Counsel	2,000	2,000
01-401-321	Telephone Monthly charges	3,400	3,400
01-401-322	Cleaning Supplies	800	800
01-401-325	Postage	3,000	3,000
01-401-330	Postage - Tax Bills	980	920
01-401-341	Advertising	6,000	6,000
01-401-342	Printing	800	800
01-401-350	Property and Liability Insurance Program	40,100	36,500
01-401-361	Electricity	12,000	12,000
01-401-362	Gas - Heating	7,500	8,500
01-401-370	Equipment Maintenance - software	6,000	5,000
01-401-373	Building Repairs and Maintenance	16,000	16,000
01-401-374	Equipment Maintenance	11,000	9,000
01-401-446	Training and Conferences	3,000	3,000
01-401-460	Dues and Subscriptions	6,800	6,800
01-401-740	Machinery and Equipment	2,000	800
	Total Administrative/ Legislative Dept	320,651	329,336
01-410-122	Police Chief Salary	91,148	90,107
01-410-130	Patrolman Salaries	783,255	744,623
01-410-131	Part-time Patrolmen Wages	19,000	19,000
01-410-140	Salaries Clerical	90,200	87,572
01-410-160	Police Pension Contribution	167,392	111,773
01-410-183	Overtime Pay	75,000	77,438
01-410-200	Office Supplies	3,000	3,000
01-410-220	Operating Supplies	3,000	3,500
01-410-231	Vehicle Fuel	21,600	21,000
01-410-238	Clothing and Uniforms	8,000	7,500
01-410-242	Ammunition & Targets	3,500	3,500
01-410-253	Vehicle Supplies	1,500	1,500
01-410-260	Minor Equipment	13,100	11,000
01-410-300	General Expense	2,000	2,000
01-410-301	Labor Counsel	5,000	15,000
01-410-316	Humane League	1,500	1,400
01-410-320	Civil Service	1,500	1,500
01-410-321	Telephone Monthly Charges	8,000	9,750
01-410-327	Radio Equipment Maintenance	2,500	3,500
01-410-340	Advertising and Printing	1,500	1,000
01-410-374	Equipment maintenance (software)	12,300	10,500
01-410-420	Dues, subscriptions, memberships	2,100	2,100
01-410-440	Uniform Cleaning	1,800	1,800
01-410-451	Vehicle Maintenance	10,000	11,000
01-410-460	Training and Conferences	6,000	6,000
01-410-505	County Drug Task Force Operation	8,168	8,168
01-410-740	Major Equipment Purchases		-
	Total Police Department	1,342,063	1,255,231

MILLERSVILLE BOROUGH
2014 BUDGET

	GENERAL FUND	2014 Budget	2013 Budget
01-411-500	Fire Services BRRFD	122,092	123,324
01-411-510	Fireman's Relief Association	46,000	42,000
01-411-530	Contributions to County Library	2,500	2,500
01-411-540	Contributions to Meals on Wheels Program	350	350
01-411-550	Contributions to Ambulance Company LEMSA	1,500	1,500
01-411-590	Contributions - Other (Mville 250)		-
	Total Community Services	172,442	169,674
01-414-130	Zoning/Code Enforcement Salary	55,000	54,000
01-414-200	Supplies	400	500
01-414-231	Vehicle operating costs (fuel)	1,500	1,000
01-414-260	Minor Equipment	200	300
01-414-300	General Expenses	1,000	1,400
01-414-316	Court Reporter Services	400	400
01-414-341	Advertising	1,500	1,500
01-414-342	Printing	300	200
01-414-446	Training and Conferences	1,500	1,500
	Total Zoning and Codes Enforcement	61,800	60,800
01-430-122	Street Superintendent	59,205	57,988
01-430-140	Street Dept. Salaries	138,765	134,085
01-430-183	Overtime Pay	9,000	9,000
01-430-200	Road supplies	500	500
01-430-220	Operating Supplies	2,000	1,800
01-430-231	Vehicle Fuel	12,000	12,000
01-430-245	Signs and other Supplies	5,000	5,000
01-430-247	Supplies- storm sewers	11,000	11,000
01-430-248	Supplies- streets	6,000	6,000
01-430-260	Small Tools & Minor Equipment	500	500
01-430-300	General Expenses	2,000	1,800
01-430-313	Engineering Services	16,000	19,000
01-430-321	Telephone	700	700
01-430-327	Radio Equipment Maintenance	300	300
01-430-330	Rentals	300	300
01-430-360	Electricity- traffic signals	2,200	2,200
01-430-361	Electricity Streets Buildings	2,700	2,700
01-430-362	Gas Heat Service	8,000	8,000
01-430-363	Electricity- street lights	63,000	62,000
01-430-369	Equipment Maintenance	5,000	4,000
01-430-370	Signal Equipment Maintenance	8,000	6,500
01-430-373	Building Repairs and Maintenance	9,000	4,000
01-430-374	Equipment Maintenance-snow	4,000	4,000
01-430-375	Vehicle Maintenance	4,200	4,200
01-430-376	Water Tank Maintenance	7,860	7,860
01-430-740	Machinery and Equipment	-	
	Total Streets Department	377,230	365,433
01-454-143	Park Wages	23,813	23,250
01-454-200	Supplies	400	400
01-454-231	Vehicle Fuel	2,500	1,800
01-454-260	Small Tools & Minor Equipment	600	600
01-454-300	General Expenses	1,500	1,000
01-454-361	Electricity	2,500	2,500
01-454-366	Water - Park	300	200
01-454-371	Grounds Maintenance	12,000	12,000
01-454-374	Equipment Maintenance	2,000	1,500
	Total Parks Department	45,613	43,250

MILLERSVILLE BOROUGH
2014 BUDGET

	GENERAL FUND	2014 Budget	2013 Budget
01-474-601	Financing Debt Charges	6,000	6,000
01-474-615	2002 Refunded 2007 Note Interest	41,125	43,062
01-474-620	2002 Refunded 2007 Note Principal	46,000	44,000
01-474-630	2010 Refunded 2005 Bonds Principal	75,200	70,900
01-474-635	2010 Refunded 2005 Bonds Interest	53,177	54,950
	Total Debt Service	221,502	218,912
01-487-152	Dental Insurance	15,800	15,000
01-487-156	Health Insurance Program	370,571	322,576
01-487-157	Health & Welfare Fund	14,300	13,500
01-487-158	Life Insurance	3,100	2,200
01-487-160	Non-Uniform Pension Contribution	115,686	115,373
01-487-161	FICA employer taxes	110,500	106,566
01-487-353	Unemployment Compensation	-	-
01-487-354	Worker's Compensation Insurance	43,600	44,168
01-487-357	Bonding	600	800
	Total Fringe Benefits / Employer Taxes	674,157	620,183
	Total Expenses	3,215,458	3,062,819
01-492-700	Transfers to Educational Srv Agency Fund	14,000	17,000
01-492-705	To General Capital Reserve Fund	27,000	-
01-492-710	Transfers to Highway Aid Fund		
	Total Transfers	41,000	17,000
	Total Expenses and Transfers	3,256,458	3,079,819
	Total Revenues and Transfers	3,256,458	3,079,819
	Excess Revenue or (Expenses)	-	-

MILLERSVILLE BOROUGH
SEWER FUND
2014 BUDGET

	SEWER FUND	2014 Budget	2013 Budget
	(Residential rate per quarter)	\$ 110	\$ 110
	REVENUES		
08-355-100	FEMA Reimbursement		
08-364-100	Sewerage Charges	1,250,000	1,250,000
08-364-102	Sewerage Lien Income	33,000	33,000
08-364-105	Interest Income	500	500
08-364-110	Sewer Connection/Tapping Fees	-	-
08-364-120	Sewer Agreement- University	389,900	300,000
08-364-380	Misc Revenue & Manor Township	34,500	32,500
08-364-420	Refund of Prior Year Expenses	1,000	1,000
	Total Revenues and Transfers	1,708,900	1,617,000
	EXPENSES		
08-401-100	Manager's Salary	36,014	35,273
08-401-130	Salaries-Clerical Employees	58,557	57,343
08-401-183	Overtime Pay	300	300
08-401-200	Office Supplies	2,500	2,400
08-401-300	General Expenses	11,000	12,000
08-401-311	Accounting & Auditing Services	16,000	15,000
08-401-314	Legal Services	8,000	8,000
08-401-325	Postage	5,000	5,500
08-401-350	Property and Liability Ins.	27,100	20,000
08-401-374	Equipment Maintenance Software	2,000	3,000
08-401-460	Dues and Subscriptions	1,100	1,300
08-401-740	Minor Equipment	3,800	1,300
	Total Administrative Department	171,371	161,416
08-429-122	Superintendent's Salary	69,212	66,163
08-429-130	Sewer Plant Operators Wages	161,519	157,000
08-429-183	Overtime Pay	13,000	13,000
08-429-200	Supplies	600	600
08-429-223	Chemicals	55,000	55,000
08-429-225	Laboratory Supplies	5,000	5,000
08-429-227	Outside Laboratory Services	28,000	28,000
08-429-231	Vehicle Fuel	6,500	6,500
08-429-260	Small Tools & Minor Equipment	6,000	6,000
08-429-313	Engineering Services	20,000	25,000
08-429-321	Telephone Monthly Charges	5,000	5,000
08-429-327	Radio Equipment Maintenance	300	300
08-429-361	Electricity	204,000	204,000
08-429-366	Water	7,500	7,000
08-429-371	Grounds Maintenance	2,000	3,500
08-429-373	Buildings Maintenance	5,000	8,000
08-429-374	STP Equipment Maintenance	70,000	70,000
08-429-375	Vehicle Maintenance	7,000	7,000
08-429-378	Maint-Collection Sys, Pump Sta	35,000	35,000
08-429-383	Rent of Buildings	20,000	20,000
08-429-450	Contracted Sludge Disposal	40,000	40,000
08-429-460	Training and Conference	1,500	1,500
	Total Collection System and Operations	762,131	763,563

MILLERSVILLE BOROUGH
SEWER FUND
2014 BUDGET

	SEWER FUND	2014 Budget	2013 Budget
	(Residential rate per quarter)	\$ 110	\$ 110
08-474-601	Financing Debt charges	9,120	10,530
08-474-605	2005 Refundng of 1996 Bond Int		-
08-474-610	2005 Refundng 1996 Bond Princ		-
08-474-615	2007 Refundng of 2002 Note Int	73,747	79,712
08-474-620	2007 Refundng 2002 Note Princ	149,000	142,000
08-474-630	2010 Refunding 2005 bonds Princ	79,800	74,100
08-474-635	2010 refunding 2005 bonds Int	4,062	5,914
	Total Debt Service	315,729	312,256
08-487-152	Dental Insurance	3,825	3,700
08-487-156	Health Insurance	87,500	76,000
08-487-157	Health & Welfare Fund	5,100	5,100
08-487-158	Life Insurance	575	575
08-487-160	Non-Uniform Pension Contribution	29,752	31,818
08-487-161	FICA	26,000	25,100
08-487-354	Workers Compensation Insurance	10,500	10,500
	Total Fringe Benefits/Employer Taxes	163,252	152,793
	Total Expenses	1,412,483	1,390,028
08-490-750	Transfer to Sewer Capital Fund	300,000	230,000
	Total Expenses and Transfers	1,712,483	1,620,028
	Total Expenses and Transfers	1,712,483	1,620,028
	Total Revenues and Transfers	1,708,900	1,617,000
	Excess Revenue or (Expenses)	(3,583)	(3,028)

MILLERSVILLE BOROUGH
SOLID WASTE MANAGEMENT FUND
2014 BUDGET

	SOLID WASTE MANAGEMENT FUND	2014 Budget \$55 per qtr	2013 Budget \$55 per qtr
	REVENUES		
09-364-030	Solid Waste Collection Fees	380,000	376,000
09-364-045	PA Recycling Grant	4,500	4,500
09-364-100	Interest Income	500	500
09-364-102	Solid Waste Lien Income	20,000	18,000
09-364-330	Green Yard Waste Tags	7,000	7,000
09-364-331	Yellow Extra Service Tags	1,500	1,500
09-364-332	Red Over Sized Trash Tags	1,700	1,700
09-364-333	Blue Large Appliance Tags	600	600
09-364-380	Miscellaneous Revenue (hauling rebates)	15,000	15,000
09-364-420	Refund of Prior Years Expenses	200	200
	Total Revenues	431,000	425,000
	EXPENSES		
09-401-100	Manager's Salary	18,007	17,363
09-401-130	Salaries-Clerical	29,279	28,672
09-401-183	Overtime Pay	150	150
09-401-200	Office Supplies	600	600
09-401-300	General Expense	3,800	3,800
09-401-314	Legal Services	6,500	6,500
09-401-325	Postage	5,000	5,000
09-401-341	Advertising	500	500
09-401-342	Printing	1,000	1,500
09-401-370	Equipment Maintenance software	100	300
09-401-383	Rent of Building	10,000	10,000
09-401-460	Dues and Subscriptions	400	400
09-401-740	Minor Equipment	6,000	9,500
	Total Administrative Department	81,336	84,285
09-427-355	Yard and leaf Bags	16,000	16,000
09-427-360	Solid Waste Disposal	126,000	126,000
09-427-450	Contract Collection and Hauling	169,000	167,200
	Total Collections and Operations	311,000	309,200
09-487-152	Dental insurance	550	525
09-487-156	Health Insurance Program	11,000	9,600
09-487-157	Health and Welfare	680	680
09-487-158	Life insurance	85	85
09-487-160	Non-Uniform Pension Contribution	4,468	4,959
09-487-161	FICA Employer Tax	3,650	3,550
09-487-354	Worker's Compensation Insurance	1,500	1,500
	Total Fringe Benefits/Employer Taxes	21,933	20,899
	Total Expenses	414,269	414,384
	Total Expenses	414,269	414,384
	Total Revenues	431,000	425,000
	Excess Revenue or (Expenses)	16,731	10,616