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Overview

Description	2023	2024	2025	2026	2027	2028
January 1 st	\$ 1,539,969	\$ 508,649	\$ (376,032)	\$ (1,655,364)	\$ (2,966,776)	\$ (4,981,161)
Revenues	\$ 3,669,580	\$ 3,068,387	\$ 3,210,036	\$ 3,139,166	\$ 3,206,057	\$ 3,372,037
Expenditures	\$ 4,692,900	\$ 3,953,067	\$ 4,499,368	\$ 4,682,636	\$ 4,978,385	\$ 5,276,095
December 31st	\$ 508,649	\$ (376,032)	\$ (1,655,364)	\$ (3,208,834)	\$ (4,981,161)	\$ (6,625,536)

The size of these anticipated deficits realistically removes the option to use fund balance to pass future budgets in the foreseeable future.

Decrease in Expenditures is due to lack of creek projects and lack of road work beyond Liquid Fuels Funds

Increase of Expenses includes large increase in Road Work with more \$300K+ in one year.

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What Happened in 2021 – 2023?

- Federal American Rescue Plan Funds (ARPA)
 - Disbursement #1 - \$496,027.40 [2021]
 - Disbursement #2 - \$497,595.71 [2022]
 - Added one-time revenues at a scale that is unlikely to be matched, which distorts the picture.
- Police Expenses Increased
 - Maidencreek Township’s share of the total Police budget grew from 47.5% to 52.0% in the 2022 Budget, adopted in 2021.
 - \$132,715.80 Increase in the 2022 Budget.
 - \$180,730.89 Increase in the 2023 Budget.
- Recycling Contract Increases
 - \$161,069.28 Increase in 2023 contracted recycling collections (121% Increase).
- Road Improvement Costs Increased
 - \$136,844.52 Increase for Road Widening behind Lake Ontelaunee in 2022.
 - \$326,451.50 Increase for Ontelaunee Heights and Other Road Developments in 2023.
- Conditional Use on Warehouse
 - \$29,356.99 of bills in 2022
 - \$77,928.40 of bills in 2023
 - Bills made up of non-reimbursable Engineering and Legal Fees.
- Stream Cleanup Projects
 - Projections are approximately \$300K

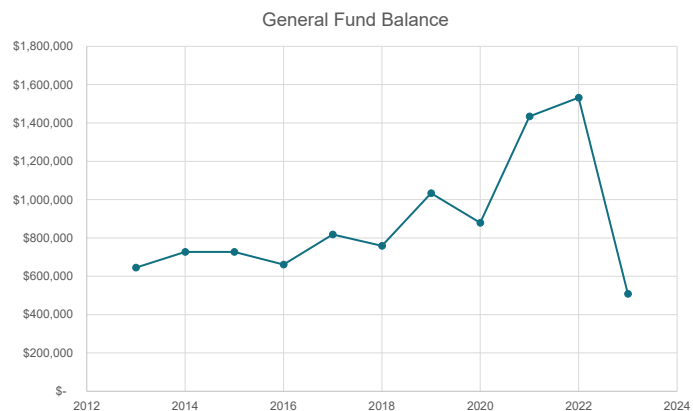
Total 2022 Expenses = \$ 298,917
Total 2023 Expenses = \$1,046,180

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Historical Comparison

- These cost increases have occurred while revenues have not had the same rate of increase.
- The increases of spending in 2022 and 2023 have been dedicated to the structural increases (ex. Police, Recycling) and the one-time expenses have mostly been dedicated to infrastructure.
- This graph does not include Liquid Fuels Funds which have been dedicated to Road Work for much of the time shown. However, these funds have not kept up with maintenance of Roads as required to maintain a strong network.



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Adjusted Deficits without ARPA Funds

2020: Audited Deficit (- \$154,512)

2021: Audited Surplus (\$555,228) – ARPA Disbursement #1 (\$496,027) = \$59,201

2022: Audited Surplus (\$98,121) – ARPA Disbursement #2 (\$499,164) = - \$401,043

2023: Projected Deficit (- \$1,023,320.32)

- Operating Deficits
 - These revised surplus and deficit figures help show that expenses approved in previous years, beginning in 2021 began to erode the structural balance of expenses and revenues.
 - Expenses for 2021, 2020, and 2019 were each slightly above \$2.8 million. The expenses in 2022 were \$3.4 million and are projected to increase to nearly \$4.7 million.
- **Structural Deficit = \$524,515.97 [Approx.]**
 - 2022 Police Increase = \$132,715.80
 - 2023 Police Increase = \$180,730.89
 - 2023 Recycling Increase = \$161,069.28
 - 2023 Inflation & Wage Growth = \$50K [est.]
- A structural deficit is a gap between known expenses and revenues at the beginning to the next year.

OUR SERVICES

✓ Road Work

Taxpayers pay for a full-time Road Crew that maintains the roads, including removal of nuisances, mowing of roadways, patching and maintenance, snow and ice removal, and the annual road bid for improvements.

✓ Public Safety Services

Taxpayers pay for full-time police coverage through our Regional Police, for which Maiden Creek contributes about half of the budget. Taxpayers also contribute more than \$230K annually to the volunteer fire and ambulance companies to keep them running.

✓ Building, Codes & Zoning Regulation

Taxpayers pay for the regulation of building in the Township to prevent unsafe conditions as well as to control the impact of building on neighboring properties and the community at large.

✓ Recycling & Brush Collection

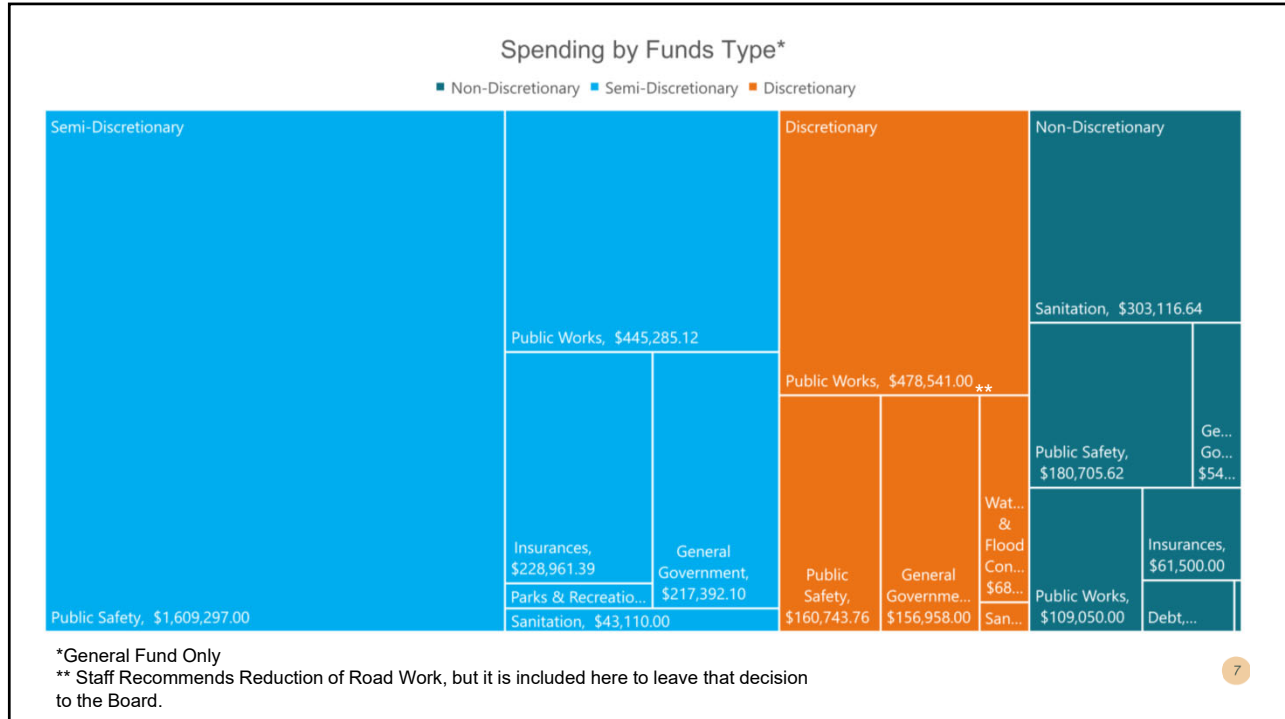
Taxpayers pay for the bi-weekly collection of recyclables for residences, and the Township Road Crew also collects brush, leaves, grass through its recycling site on Rt. 73 as well as curbside collections several times a year.

✓ Stormwater Regulation

Taxpayers pay for the regulation, planning, and maintenance of the stormwater infrastructure that is built by developers or homeowners, as well as maintenance work the Township directly undertakes to keep waterways flowing well.

✓ Public Parks

Taxpayers pay for the Township to maintain and improve public parks as an amenity that residents and other folks can enjoy at their leisure.



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Spending by Funds Types

Fund Balance Reporting and Fund Type Definitions are defined in accounting by GASB* for the Township. However, these standards do not capture all limitations that are included in this summary of funds by non-discretionary, semi-discretionary, or discretionary (ex. Police Services).

Non-Discretionary – Qualifies as *restricted, committed, or assigned* expenses under GASB or requires significant non-financial action by the BOS to change the required commitment (ex. streetlights or insurances).

Semi-Discretionary – Qualifies as *unassigned* fund balance, but requires significant political decisions to adjust, some of which could be non-financial (ex. 2023 Police Budget funds and active municipal employees).

Discretionary – Qualifies as *unassigned* fund balance and is simple to reduce by the annual budget (ex. 2024 road work or supplies budgets).

Semi-Discretionary	Discretionary
2023 Police Budget Amount	General Government Supplies
2023 Active Township Staff	IT Expenses
Yard Waste Host Fees	Ambulance Subsidy
½ of Legal Services Fees	Animal Control
½ of Engineering Services Fees	2024 Police Subsidy
Gas & Diesel	Fall Cleanup Day
Vehicle Maintenance & Repair	2024 Road Work
Employee Insurances	Road, Curb, and Drain Supplies
	Water & Flood Improvement Funds
	Parks Supplies & Maintenance
	Library Contribution
	New Mini-Excavator Lease
	Bridge Replacement Sinking Fund

*(Government Accounting Standards Board) See Statement No. 54

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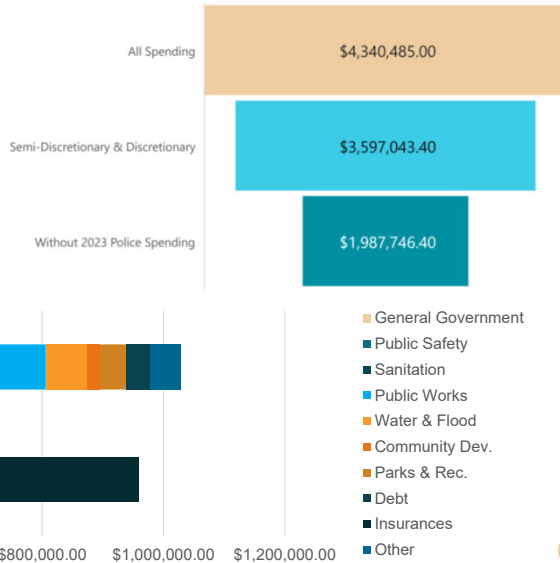
Reductions, Pt. 1

If the Board accepts that restrictions associated with the Non-Discretionary category, specifically those expenses not qualifying as *restricted, committed, or assigned*, the potential room for reductions is included here.

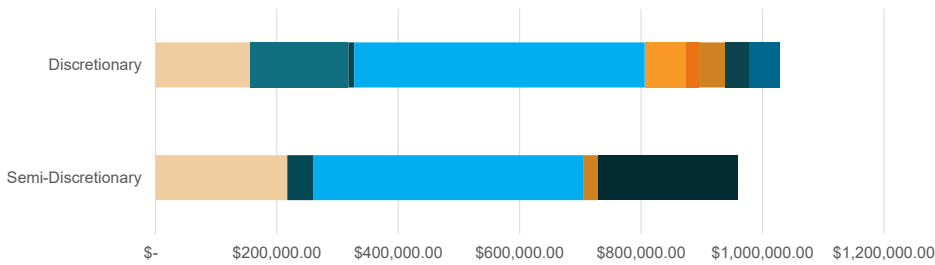
All reductions effect the Township's services and could be considered against the question "what is best for the residents?"

Projected Budget Deficit for 2024: \$1,275,577.11

General Fund Projected Expenses for 2024



Remaining Spending Elements



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Reductions, Pt. 2

Within the Semi-Discretionary and Discretionary Categories are the expenses related to current staff.

Classification	Full-Time Employee(s)	Part-Time Employee(s)	Less Than Part-Time [1]
Management	1	0	0
Confidential	1	0	0
Non-Union	0	0	3
Union (Eligible)	6	0	1[2]
Total:	8	0	4

Department	Full-Time Employee(s)	Part-Time Employee(s)	Less Than Part-Time [3]
Administration	1	0	0
Crossing Guard	0	0	0.5
Facilities	0	0	1
Office Staff	1	0	1
Parks & Recreation	0	0	1.5
Public Works	6	0	0
Total:	8	0	4

[1] Less than part-time includes Seasonal Employees and Irregular Employees (ex. Park Attendants, Emergency Management Coordinator)
 [2] New Position of Township Clerk
 [3] One Employee holds the position of Park Attendant and Crossing Guard, which is counted twice in the second table group as a half position to represent this person being one whole between both positions.

Description	Amount (\$)
Manager's Contract	87,808.10
Wages	490,685.76
Health Insurance	136,083.46
Employer Taxes & Fees	48,805.18
Workers Comp.	25,000.00
Life & Disability	8,102.43
Dental Insurance	6,439.00
Vision Insurance	1,156.32
Other Benefits	3,375.00
Total:	807,455.25

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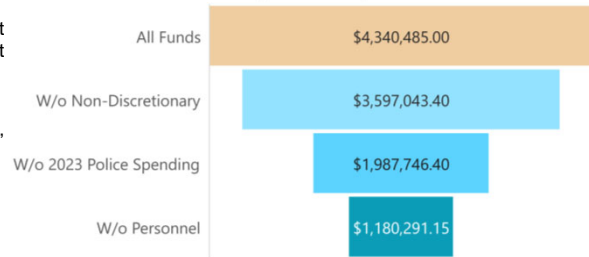
Reductions, Pt. 3

If the Board accepts that there would be no reductions in current Police Spending or Personnel, there remaining spending is what you are left with below.

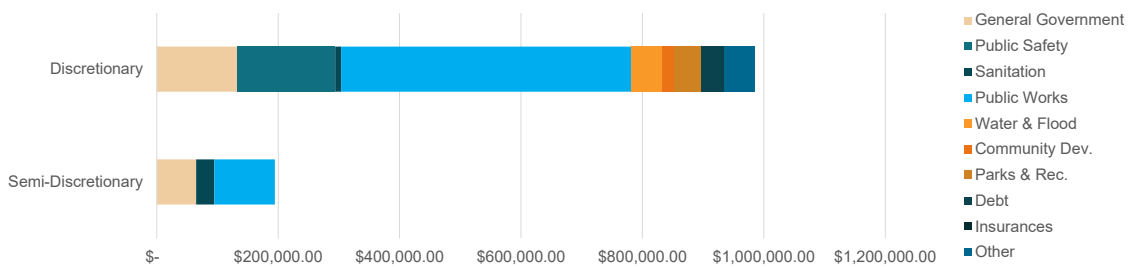
All reductions effect the Township's services and could be considered against the question "what is best for the residents?"

Projected Budget Deficit for 2024: \$1,275,577.11

General Fund Projected Expenses for 2024



Remaining Spending Elements



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Potential Reduction Areas, Pt. I

Budget Area	Impact	Budget Amount
Engineering & Legal Services	Reduced projects and initiatives that require engineering or legal review. Difficult to manage, requires staff and board restraint. Reduces response to events in the year.	\$65,000.00
Office, Administration, and IT Expenses	Includes limited office supplies, software subscriptions, expenses for newsletters and calendar, fees for advertising, utilities (internet, phones, etc.). Reductions could affect communications to the public and productivity in the office.	\$68,150.00
Public Safety Expenses*	Includes expenses for public safety. Reductions here will affect the service delivery for the Ambulance Company and Northern Berks Police Department.	\$160,743.76
Animal Control & Fall Cleanup Day	Includes the contract with our Animal Control servicer as well as the annual Fall Cleanup Day. Impacts direct service availability.	\$9,817.50
Road Work 2024 (15-Year Plan)	Includes year 2024 Road Work as part of the 15-year Road Plan proposed in May/April 23'. Impacts long-term condition of roads and the aggregate cost of their repair along a degradation curve.	\$388,291.00
Public Works Expenses	Primarily includes materials and rentals for public works expenses; stone, cement mixture, raw materials for drains, etc. Reductions will affect infrastructure maintenance and service delivery to residents.	\$90,250.00
Water & Flood Control Expenses	Includes supplies and rentals for Township work to reduce impacts of flooding and maintenance work on creek areas. Reductions will impact responsiveness to significant weather events or improvements off of July 9 th Floods.	\$50,000.00

*Police Expenses are projected by 8.00%. The NBRPD budget has not yet been approved for 2024 so that number is only a projection.

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Potential Reduction Areas, Pt. 2

Budget Area	Impact	Budget Amount
Community Development	Includes a flexible budget line for the Board to assign funds to grants or important projects as they arise during the year. Reductions would reduce or eliminate the response to events throughout the year.	\$20,000.00
Parks & Recreation	Includes supplies for park maintenance, purchase of a new picnic table, and the library contribution and other event support payments. Reductions will affect repairs of Parks or will reduce contributions to important community groups.	\$44,270.00
Debt	Includes a lease purchase of a Mini-Excavator purchase for use by the Road Crew. Elimination of these expenses could impact the safe use of the current excavator, which has been a concern for the Road Crew considering the size of some of their work.	\$39,123.89
Other Expenses	Includes a transfer to a Capital Reserve Fund for the purpose of Bridge Replacement* in the future. Reductions could have long-term effects on the Township's financial readiness to afford a future bridge replacement.	\$50,000.00
Semi-Discretionary Expenses	Includes professional's fees, yard site material collection fees, gas/diesel, signs, vehicle repair, and uniforms. Reductions here would seriously hamper the advice given by professionals, services offered to residents, and basic local government activities like maintaining speed signs.	\$196,645.00

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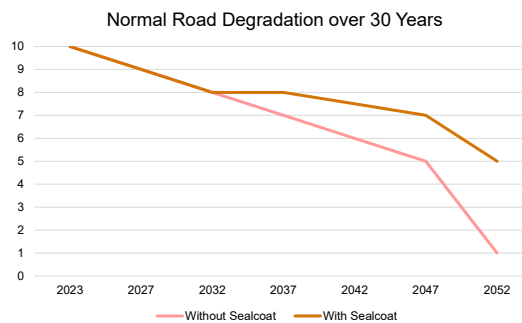
Financial Challenges with Roadwork

This past Spring, the staff developed a comprehensive road maintenance plan for 15-years, which projects the costs and schedule for road work in Maiden Creek.

Delays to that work has long-term consequences, which can be seen under the chart *Normal Road Degradation...*

What you can see there is a road degrades over time, but a sealcoat may extend a road's usable life-cycle. After it begins to descend along the curve, there will be a point where a sealcoat is ineffective, requiring an asphalt overlay.

Asphalt expenses are far higher than sealcoat. A potential scenario that delays 2024's anticipated road work until 2029 is shown.



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2024 Road Work (per 15-year Road Plan)

Road Name	Condition	Intensity of Use	Length	Method #1	Method #2	Method #3	Inflation Price	Revised
Capri	Fair	Medium	0.19	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 18,109.68
Galean	Fair	Medium	0.15	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 12,130.89
Grandview	Fair	Medium	0.15	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 12,130.89
Monaco	Fair	Medium	0.22	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 20,969.11
North View	Fair	Medium	0.39	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 31,540.31
South View	Fair	High	0.55	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 52,422.77
Venice	Fair	Medium	0.22	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 20,969.11
Chipmunk	Fair	Medium	0.11	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 10,484.55
Guldin [Near Railway]	Fair	Medium	0.11	Leveling - 8.01	Wearing - 9.90	None - 0	\$ 18.76	\$ 25,424.53
Walnut Tree	Fair	High	0.97	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 78,446.41
Wesner (W. Walnut-Hoch)	Fair	Medium	0.63	Leveling - 8.01	Wearing - 9.90	None - 0	\$ 18.76	\$ 152,547.21
Wyatt	Fair	Low	0.19	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 17,560.90
Calabria	NI	Medium	0.27	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 25,734.81
Carmen	NI	Medium	0.19	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 18,109.68
Grove	NI	Low	0.28	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 15,365.79
Riviera	NI	Medium	0.23	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 21,922.25
Wesner (Park-W. Walnut)	NI	High	0.66	Chip Slurry - 4.7	None - 0	None - 0	\$ 4.92	\$ 41,938.21
Wesner (73-Park)	NI	Medium	0.29	Leveling - 8.01	Wearing - 9.90	None - 0	\$ 18.76	\$ 70,220.14
White Birch	NI	Low	0.16	Leveling - 8.01	Wearing - 9.90	None - 0	\$ 18.76	\$ 42,264.16
Total Miles:			5.96				Total Cost: \$	688,291.41

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Delays in Road Work

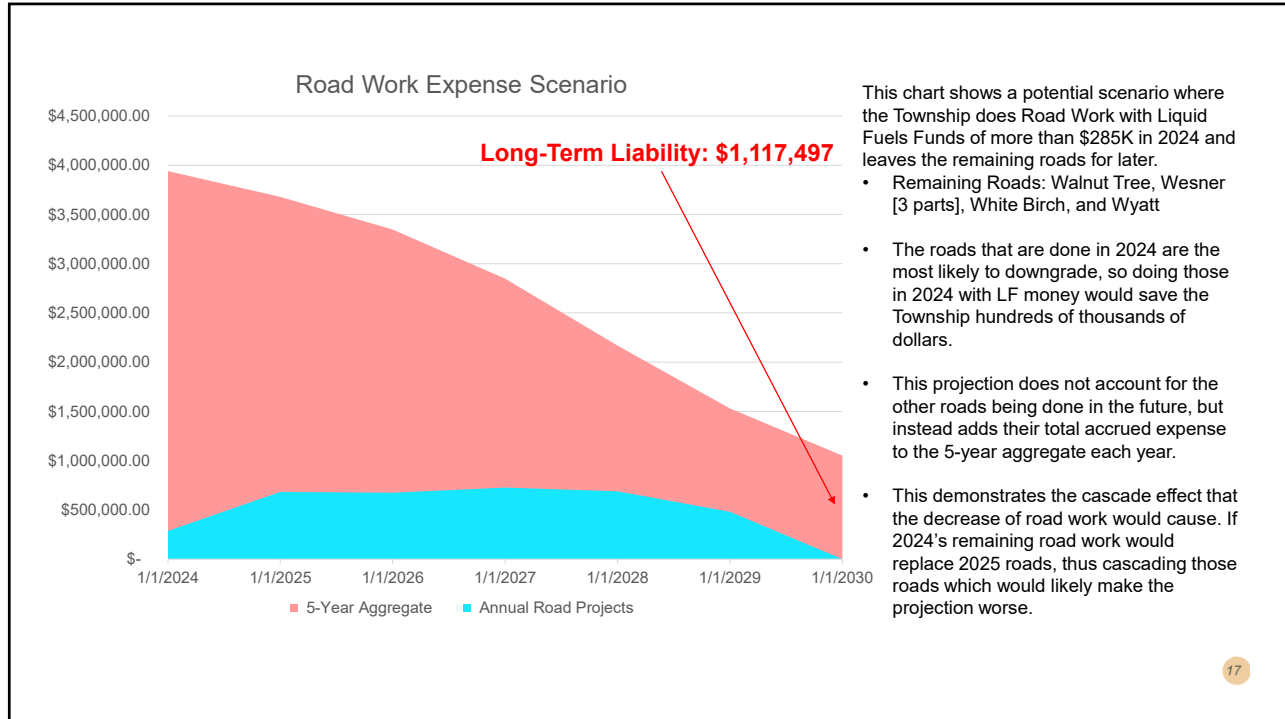
Road work in 2024 was projected to be more than \$688K. After revisions, the amount that is anticipated to cost for those same roads is now more than \$755K. The change is due to the declining condition of Wyatt Drive.

Year	Total Cost	Downgrades
2024	\$ 755,097.57	Wyatt Drive
2025	\$1,292,330.69	Calabria, Capri, Carmen, Monaco, Riviera, and Venice
2026	\$1,681,170.76	Walnut Tree Drive
2027	\$2,415,566.11	Chipmunk, Galean, Grandview, North View, South View, Wesner (Park – W. Walnut Tree)
2028	\$2,530,305.50	None.
2029	\$2,650,495.01	None.

The large increases year to year are due to inflation factors, use of asphalt overlay, and the requirement to utilize milling while in a development with curbs.

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Revenue, Pt. I

Consideration of property tax increases must be made carefully against what the potential impact would be to the residents. Both if more taxes are levied, or the consequences of taxes not being levied. The table below contains the anticipated tax revenue from different property tax scenarios. The first scenario decreases taxes, the second keeps them the same, the final three include .50 mill progressing increases.

General Millage Rate	General Fund Revenue	Net Impact	Dec. 31 st Fund Balance (2024)*	Average Bill to Resident	Average Bill Doubled
.00100	\$498,521.50	\$(170,922.87)	\$(941,286.32)	\$165.90	\$331.81
.00135	\$673,004.03	-	\$(770,293.45)	\$207.38	\$414.76
.00185	\$922,264.78	\$244,275.54	\$(526,017.91)	\$266.63	\$533.26
.00235	\$1,171,525.53	\$488,551.07	\$(281,742.38)	\$325.88	\$651.76
.00285	\$1,420,786.28	\$732,826.61	\$(37,466.84)	\$385.13	\$770.26

*Does not include reductions to expenses outlined on previous slides.

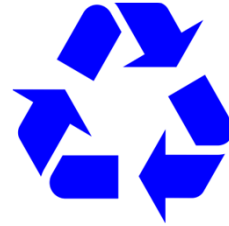
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Revenue, Pt. 2

An alternative funding method would be to re-implement a recycling fee under Ordinance §178-8. A recycling fee would only be for expenses related to Recycling expenses as included below. The fee would be spread out amongst residences that are eligible for curbside recycling collections and brush pickup. That fee would be paid as part of the tax bill in February/March of 2024.

	2023 Budget	2024 Request	2025 Projected	2026 Projected	2027 Projected	2028 Projected
426.00 - Recycling						
426.12 - Leaf Collection Wages	\$ 12,568.46	\$ 13,110.00	\$ 13,710.40	\$ 14,382.40	\$ 15,033.20	\$ 14,997.60
426.14 - Recycling Wages	\$ -					
426.24 - Recycling Supplies	\$ -					
426.317 - Recycling Collection Service	\$ 294,288.00	\$ 303,116.64	\$ 318,272.47	\$ 327,820.65	\$ 337,655.27	\$ 354,538.03
426.318 - Yard Waste Site Host Fees	\$ 14,400.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
426.361 - Utility for Site	\$ -					
426.61 - Capital Construction	\$ -					
426.75 - Minor Capital Purchases (Bins)	\$ -					
Total 426.00 - Recycling	\$ 321,256.46	\$ 346,226.64	\$ 361,982.87	\$ 372,203.05	\$ 382,688.47	\$ 399,535.63



Total Recycling Spending (\$346,226.64) / Eligible Properties* (3,167) = Annual Recycling Fee (\$109.32)*

*Eligible Properties are based on the annual tax duplicate book for all residential or farm properties that feature a dwelling.
 **The annual fee is subject to change depending on the number of eligible properties and the total approved spending in the 2024 budget.

Public Safety Concerns



Fire Services

Fire companies face similar headwinds to ambulance services, but primarily rely on volunteers for fire runs. If volunteers continue to drop off, the company may seek paid staff, which would likely come back to the Township. Cost increases for their equipment will also likely lead to more funds at some point.



Police Services

As crime has seen headline events in recent years, and the cost of policing increases, sizable increases for staff, equipment, and general costs may increase beyond 8.00% that is projected.



Ambulance Services

Ambulance companies, such as Northern Berks EMS are struggling with a difficult financial environment that could lead them to seek more support than the Township's current \$30K.

Infrastructure Concerns



Storm Separate Sewer Systems
 The community's stormwater infrastructure is an unknown element in the strategic plan. We don't know if pipes are deteriorated to a point where they need repair or replacement, which could create serious issues if there are failures during storms. To prepare for this, the Township should allocate money to inventory Storm Water pipes annually. The Board should also consider in what instances they would intervene with non-public systems.



Bridge Replacement
 Bridge replacement, design, construction, excavation, etc. can be very expensive. With the potential for Cornerstone Bridge to have major work done, as well as the future cost of other bridge replacements in the Township, we could consider budgeting dedicated funds for this work that could be 5 – 50 years away so that taxpayers don't shoulder a huge burden for an anticipated expense.



Road Improvements
 As discussed previously, the compounding expenses related to road improvements are a long-term obligation that will begin to mount if dedicated investments are not made into the Township's Roads. To best maintain appropriate levels of investment, the Township could utilize products like RoadBotics and its 15-year Road Plan to stay on top of its roads.

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Additional Strategic Concerns



Cash Flow Needs
 A basic operational need is to be able to maintain at least 15% of the total annual budget in liquid-able resources. This standard would allow the Township to fund-as-we-go in the early parts of the year to avoid borrowing on a line of credit while preventing the Township from withdrawing money from higher interest-bearing accounts to pay bills, thus realizing greater interest or dividend returns for taxpayers.



Rainy Day Fund
 Cash reserves for the Township's benefit are critical as they assist with absorbing financial changes or natural disasters that come as the result of social, political, economic, or environmental conditions. The use of fund balance in 2023 has eroded much of the Township's current Rainy-Day Fund and the Board should consider how to rebuild this. Its difficult to say how much that should be, but it would be beneficial to have 3-6 months or more of expenses in reserve.



Capital Finance Fund
 Capital expenses, such as vehicles, equipment, or infrastructure improvements that are large predictable expenses or represent projects that span more than 12 months could be considered for inclusion in a Capital Budget. The expenses of vehicles and trucks will be important to continue as they improve efficiency and avoid loss of productivity when equipment is out and avoids higher maintenance or rental costs. Financing them or purchasing outright through sinking fund dedicated to capital expenses will increase predictability in the General Fund.

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THANK YOU!

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