

**A FIVE-YEAR
FINANCIAL, MANAGEMENT, AND OPERATIONAL
REVIEW AND STRATEGY FOR
EXETER TOWNSHIP**

Prepared under a Grant from the
Pennsylvania Department of Community and Economic Development
Early Intervention Program

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CHAPTER 1 INTRODUCTION AND SCOPE

In 2013, the Pennsylvania Economy League, Central PA Division (PEL), undertook an analysis of the financial condition of Exeter Township under the Commonwealth Early Intervention Program. The goals of the analysis were to determine the Township's current and future overall financial condition and to provide a guide for fiscal planning. In addition to the financial review, PEL and associates conducted a management review of Township Departments and the Reading Country Club.

The current analysis involved a review of the Township's year-end financial reports; independent audits; debt payment schedules; pension obligations; collective bargaining agreements; the 2012 year-end unaudited financial data; the 2013 budget; other fiscal data; and other relevant information and factors that may affect the current and future financial condition of the Township, including socio-demographic data. In addition, PEL staff participated in discussions with Township officials. PEL acknowledges and appreciates the full cooperation of all who contributed in the preparation of this study. The analysis could not have been successfully completed without this assistance.

In the course of this project PEL:

- Analyzed the Township's financial history from 2005 through 2012 focusing on such factors as revenues, expenditures, tax base, operating positions, and debt structure.
- Examined the historical data and the 2013 budget in relation to ongoing operations, collective bargaining agreements, other salary and benefit requirements, financial inter-relationships among the Township's component funds, and other obligations of the Township. Reviewed all tax bases and revenues, major user fees, and other revenue sources.
- Projected, to the extent possible based on known factors and available data, revenues and expenditures for 2014 through 2018 assuming continuation of obligated levels of wages and operations, existing revenue patterns, and other operating trends. **The goal of these projections is to permit Township officials to better anticipate potential deficits and take proactive steps to address any expected shortfalls.**
- Made recommendations to assist the Township in developing and improving its financial management policies and processes.

CHAPTER 2 LOCATION AND FORM OF GOVERNMENT

Introduction

The existence of municipal governments in Pennsylvania is authorized by the Pennsylvania Constitution and state law. All land within the Commonwealth is “incorporated” by law as a municipality with its own government. There are three primary types or “classifications” of municipal governments: cities (of the first, second, or third class), boroughs and townships (of the first or second class).

Municipal governments in Pennsylvania are the principal providers of direct public services to citizens. Services often include, among others, police and fire protection; construction and maintenance of roadways and bridges; street lighting; parks and recreation facilities and programs; planning and zoning activities; enforcement of building and related codes; water treatment and distribution; sewage collection and treatment; storm water management; solid waste collection and disposal; recycling; etc.

Location

Exeter Township is located in Berks County approximately seven miles east of the City of Reading. The Township is approximately 24 square miles and is bordered by the Schuylkill River to the south. Adjacent communities include St. Lawrence Borough, Lower Alsace Township, Alsace Township, Amity Township, Cumru Township, Oley Township, Robeson Township, Mount Penn Borough and Birdsboro Borough.

Government Structure

Founded in 1741, Exeter operates under Pennsylvania’s Second Class Township Code. Article 15 of the Code places general supervision for township affairs in the hands of a board of supervisors. The Exeter Board of Supervisors is comprised of five members who serve six-year terms. The Code authorizes the board of supervisors to make and adopt all ordinances, bylaws, rules and regulations deemed necessary for the proper management and control of the township in order to maintain good government and protect the safety and welfare of township residents. The board of supervisors also serves as executive and administrator, responsible for the direct or indirect operations of the township including law enforcement, budget preparation, grant

applications, annual municipal reports, contracting for municipal purchases, and appointments to boards and commissions. In the case of Exeter Township, day-to-day administration is delegated to the Township Manager/Secretary-Treasurer.

Overview of Government Services, Staffing, Taxes, and Fees

The Township provides direct police protection to its residents with 28 full-time officers and a police chief. Fire protection is provided by volunteer firefighters and EMS services are handled by a private association. Each property owner is responsible for refuse collection by privately contracting with a Township-registered trash hauler. Curbside recycling is provided every other week by a Township-contracted collector. The Streets Department uses a 12-man crew and one supervisor for general street maintenance; snow plowing, leaf collection, park maintenance and similar public works functions.

Code enforcement, zoning, plumbing inspections and similar duties are handled by the Engineering Department, which is made up of four full-time employees and one part-time worker. The Township also uses a consulting engineering firm.

Parks and Recreation oversees nine facilities and runs Township recreational activities and special events. Amenities include pavilions, tennis courts, volleyball, basketball, play areas, horseshoes, athletic fields, a skate park and walking/biking trails.

Sewage treatment is provided by the 14-person Wastewater Department, which charges its customers for this service. The Wastewater Department also provides services to St. Lawrence Borough.

The Township also owns the Reading Country Club. The club includes a public golf course and restaurant. Management of the golf course and restaurant is contracted to two private companies.

Exeter Township taxes in 2013 include a 1.8150 mill real estate tax for general purposes, 0.5500 mills for debt service, 0.5050 mills for fire protection, an earned income tax of 0.5 percent, a \$5 per capita tax, a \$42 Local Services Tax, 0.7500 mills for mercantile and business privilege, and a 0.5 percent real estate transfer tax. In addition, the Township has an extensive fee schedule for zoning, construction, sewer, recycling, parks and recreation, and various other Township services, permits and uses.

CHAPTER 3 DEMOGRAPHIC PATTERNS

Introduction

Over the last 40 years, Exeter Township has experienced significant population growth at a higher rate than Berks County and Pennsylvania. Much of that growth can be attributed to individuals moving into the community. In keeping with that pattern, the number of Township housing units has increased over the same time period at a greater rate than it has in the County and the state. Township income levels and housing values are also higher in Exeter than in either the County or the Commonwealth.

Demographics

Population

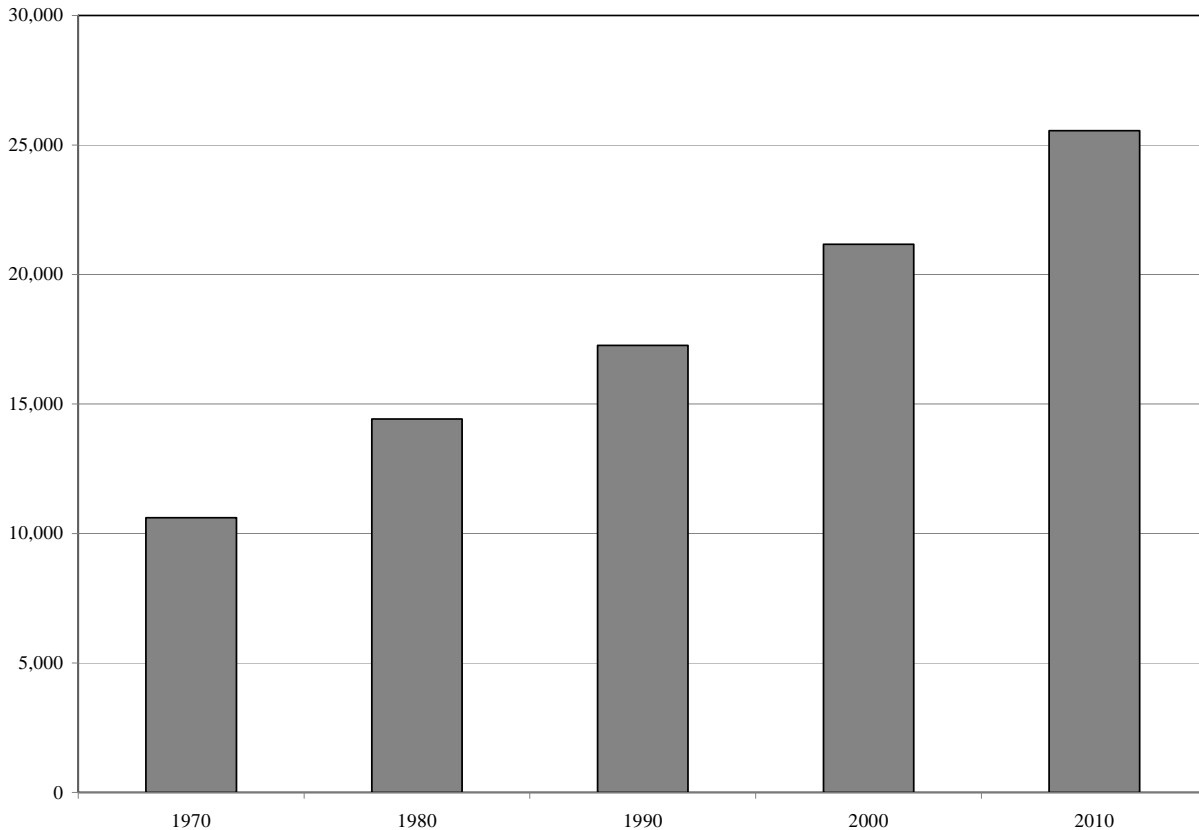
From 1970 to 2010, Exeter's population grew by 14,943 residents or 140.9 percent. The largest absolute increase was from 2000 to 2010, when the number of residents rose by 4,389, from 21,161 to 25,550. The greatest proportionate growth was in the 1970s, when the population increased by 35.9 percent. However, growth was steady during the entire 40-year period. In contrast, Berks County's population excluding Exeter Township increased over the same span by 100,117 or 35.0 percent and Pennsylvania's population rose by 901,613 or 7.6 percent. (See Table 3-1 and Graph 3-1.)

Table 3-1
EXETER TOWNSHIP
Population Trend
Exeter Township, Berks County, and Pennsylvania
1970 to 2010

	1970	1980	1990	2000	2010	Change 1970 to 2010		Change 2000 to 2010	
						#	%	#	%
Exeter Township	10,607	14,419	17,260	21,161	25,550	14,943	140.9	4,389	20.7
Berks County	296,382	312,509	336,523	373,638	411,442	115,060	38.8	37,804	10.1
Berks Co. Less Exeter	285,775	298,090	319,263	352,477	385,892	100,117	35.0	33,415	9.5
Pennsylvania	11,800,766	11,863,895	11,881,643	12,281,054	12,702,379	901,613	7.6	421,325	3.4

SOURCE: U.S. Bureau of the Census

Graph 3-1
 EXETER TOWNSHIP
 Population Trend
 1970 to 2010



Births, Deaths, and Population Change 1970 through 2011

During the 1970s, resident births in Exeter Township totaled 1,510; deaths during this period totaled 825. This produced a “natural” population increase of 685. The actual change in population between 1970 and 1980 was an increase of 3,812, suggesting that a net in-migration of 3,127 people had occurred. Between 1980 and 1990, there were 1,671 births in the Township and 1,165 deaths, producing a natural population growth of 506. However, the Township’s actual population rose by 2,841 during the 1980s, indicating a net in-migration of 2,335 people. During the period 1990 to 2000, births totaled 2,184 and deaths totaled 1,604, producing a natural increase of 580. The Township’s total population was up by 3,901, suggesting that a net in-migration of 3,321 occurred during the 1990s. Between 2000 and 2010, there were 2,514 births and 2,259 deaths, producing a natural gain in population of 255. Exeter Township’s total

population grew by 4,389 during the past decade, indicating that a net in-migration of at least 4,134 residents had occurred. (See Table 3-2.)

Table 3-2
EXETER TOWNSHIP
 Resident Births, Deaths, and Population Change
 1970 to 2009

	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2011	1970 to 2011
Births	1,510	1,671	2,184	2,514	495	8,374
Deaths	825	1,165	1,604	2,259	456	6,309
Natural Pop. Change	685	506	580	255	39	2,065
Total Population (start)	10,607	14,419	17,260	21,161	25,550	10,607
Total Population (end)	14,419	17,260	21,161	25,550	25,634	25,634
Total Population Change	3,812	2,841	3,901	4,389	84	15,027
Less Natural Change	685	506	580	255	39	2,065
Net-Migration	3,127	2,335	3,321	4,134	45	12,962

SOURCE: U.S. Bureau of the Census and State Health Data Center, Pennsylvania Department of Health, Harrisburg Pennsylvania. The Department specifically disclaims responsibility for any analyses, interpretations, or conclusions.

Overall, between 1970 and 2011 resident births in Exeter Township totaled 8,374; deaths during these same years totaled 6,309. This generated a natural increase in population of 2,065. The actual population change during this period, however, was an increase of 15,027, indicating sizeable overall net in-migration of 12,962 for the past forty years. The peak of net in-migration was from 2000 to 2010, while the low point was during the 1980s.

Population by Age Group

According to the 2000 Census the median age in Exeter Township was 38.7 years; in Berks County the median age was 37.4; and in the Commonwealth it was 38.0 years. In the 2010 Census the median age in the Township increased to 41.4 years, the County grew to 39.1 years and Pennsylvania’s median age grew to 40.1 years. (See Table 3-3.)

Table 3-3
EXETER TOWNSHIP
Median Age

	<u>2000</u>	<u>2010</u>	<u>Change</u>
Exeter Township	38.7	41.4	2.7
Berks County	37.4	39.1	1.7
Pennsylvania	38.0	40.1	2.1

SOURCE: U.S. Bureau of the Census

Exeter Township’s population in the under 18 age group increased by 753 or 14.1 percent between 2000 and 2010; the number of residents age 18 to 64 grew by 2,677 or 20.7 percent; and those 65 or over decreased by 959 or 32.9 percent. In 2010, 23.8 percent of the population in the Township was under 18 years of age; 61.1 percent was between the ages of 18 and 64; and 15.2 percent was age 65 or over. The proportion of Exeter Township’s population in the under 18 category decreased between 2000 and 2010; conversely, the percentage of those age 65 and older increased. The percentage of the age 18 to 64 populations remained constant.

The proportion of Exeter Township’s 2010 population between the ages of 18 and 64 (61.1 percent) almost mirrors the County figure (61.6 percent), while the 65 and over age group (15.2 percent versus 14.5 percent) was slightly higher than the County number. The proportion of the Township’s population under 18 (23.8 percent) was virtually identical to the County figure (23.9 percent). (See Table 3-4.)

Table 3-4
EXETER TOWNSHIP
Population by Age Group
2000 to 2010

	<u>2000</u>		<u>2010</u>		<u>Change in Exeter Township Population 2000 to 2010</u>			
	<u>Exeter Township</u>	<u>County</u>	<u>Exeter Township</u>	<u>County</u>				
	<u>#</u>	<u>% of Total</u>	<u>#</u>	<u>% of Total</u>	<u>#</u>	<u>%</u>		
Under 18	5,322	25.2	24.6	6,075	23.8	23.9	753	14.1
18-64	12,925	61.1	60.4	15,602	61.1	61.7	2,677	20.7
65 & Over	2,914	13.8	15.0	3,873	15.2	14.5	959	32.9
Total	21,161	100.0	100.0	25,550	100.0	100.0	4,389	20.7

SOURCE: U.S. Bureau of the Census.

Housing Units

The total number of housing units in Exeter Township increased from 3,433 in 2000 to 10,051 in 2010 or by 6,618 units or 192.8 percent. The Township’s tremendous housing unit growth translated to greater revenue as it produced real estate transfer taxes and various fees related to construction. As will be seen in Chapter 4, which focuses on historical revenues and expenditures, fees and taxes connected to the Township’s growth have provided a significant source of revenues. However, indications are that growth is slowing, which has negative implications for Township finances since Exeter’s budgets have relied to a certain extent on that revenue. The number of housing units in Berks County also grew, by 53,329 or 52.8 percent, and the total number of housing units in Pennsylvania grew by 1.6 million or 41.8 percent during this same period. (See Table 3-5.)

Table 3-5
EXETER TOWNSHIP
Housing Unit Trend
2000 to 2010

	1970	1980	1990	2000	2010	1970 to 2010	
						#	%
Exeter Twp.	3,433	5,166	6,780	8,208	10,051	6,618	192.8
Berks County	101,027	119,937	134,482	150,222	154,356	53,329	52.8
Pennsylvania	\$3,927,206	\$4,597,412	\$4,938,140	5,249,750	5,567,315	1,640,109	41.8

The percent of owner-occupied homes was substantially more in Exeter Township than either Berks County or the Commonwealth as a whole in both 2000 and 2010. In 2010, owner-occupied homes in Exeter Township totaled 86.2 percent down from 88.8 percent in 2000. The County also decreased from 74.0 percent owner-occupied to 71.7 percent in 2010. The percent of owner-occupied housing units in the Commonwealth fell from 71.3 percent in 2000 to 69.6 percent in 2010. (See Table 3-6.)

Table 3-6
EXETER TOWNSHIP
 Percent of Owner-Occupied Housing Units

	2000	2010	Change
Exeter Township	88.8	86.2	-2.6
Berks County	74.0	71.7	-2.3
Pennsylvania	71.3	69.6	-1.7

SOURCE: U.S. Bureau of the Census

The median value of owner-occupied homes in Exeter Township grew by \$53,500 or 44.7 percent from \$119,800 in 2000 to \$173,300 in 2010. The median value of owner-occupied housing in Berks County grew faster than that of the Township, 44.7 percent versus 60.4 percent. The median value of owner occupied housing units in the state grew by \$68,000 or 70.1 percent from \$97,000 in 2000 to \$165,000 in 2010. (See Table 3-7.)

Table 3-7
EXETER TOWNSHIP
 Median Value of Owner-Occupied Housing Units
 2000 to 2010

	Actual 2000	Actual 2010	Change 2000 to 2010	
			\$	%
Exeter Township	\$119,800	\$173,300	53,500	44.7
Berks County	\$104,900	\$168,300	63,400	60.4
Pennsylvania	\$97,000	\$165,000	68,000	70.1

SOURCE: U.S. Bureau of the Census

Income Measures

The 2000 median per capita income for Exeter Township residents was \$25,071 or \$3,839 higher than the comparable figure for Berks County of \$21,232 and \$4,191 higher than the comparable statewide figure of \$20,880. The Township’s 2010 median per capita income remained above that for the County and the State and grew at a higher rate as well. Exeter’s figure for 2010 was \$32,876, a jump of \$7,805 or 31.1 percent. Meanwhile, Berks County’s

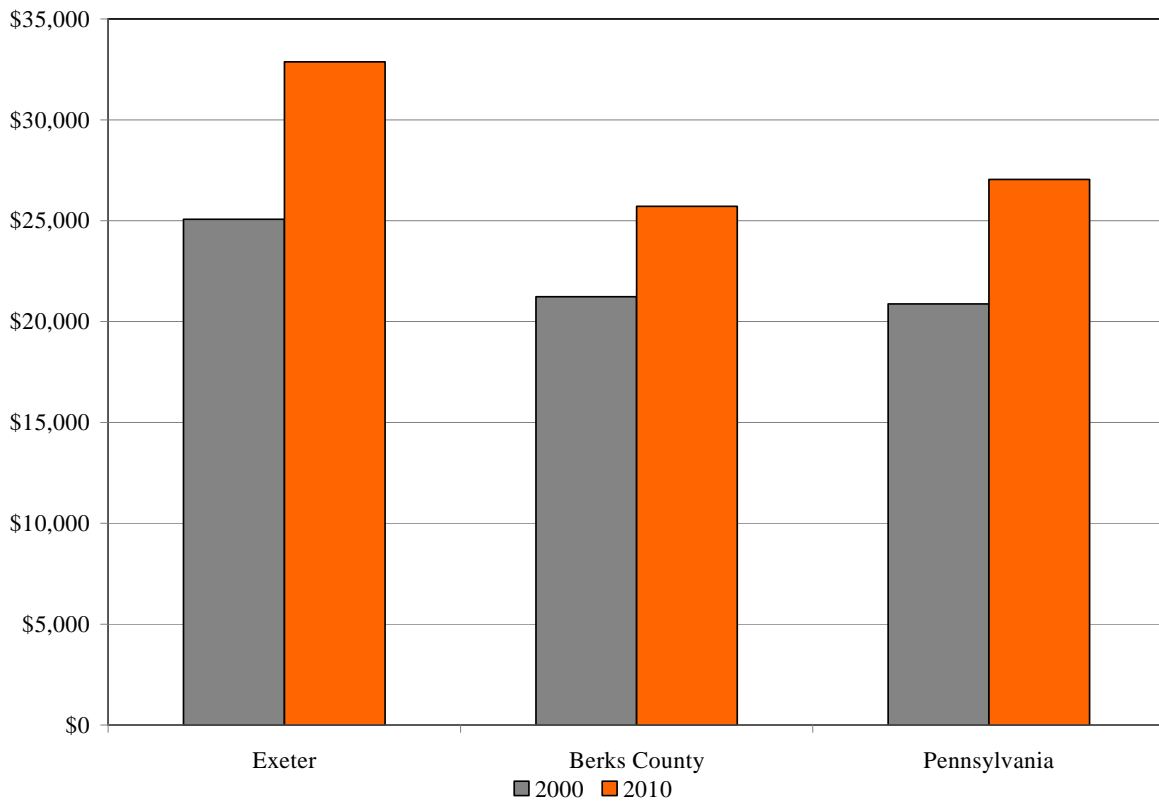
median per capita income rose to \$25,711, an increase of \$4,479 or 21.1 percent, and the state's grew to \$27,049, an increase of \$6,169 or 29.5 percent. (See Table 3-8 and Graph 3-2.)

Table 3-8
EXETER TOWNSHIP
 Median Per Capita Income
 2000 to 2010

	Actual 2000	Actual 2010	Change 2000 to 2010	
			\$	%
Exeter Township	\$25,071	\$32,876	7,805	31.1
Berks County	\$21,232	\$25,711	4,479	21.1
Pennsylvania	\$20,880	\$27,049	6,169	29.5

SOURCE: U.S. Bureau of the Census

Graph 3-2
 Median Per Capita Income
 Exeter Township, Berks County, and Pennsylvania
 2000 to 2010



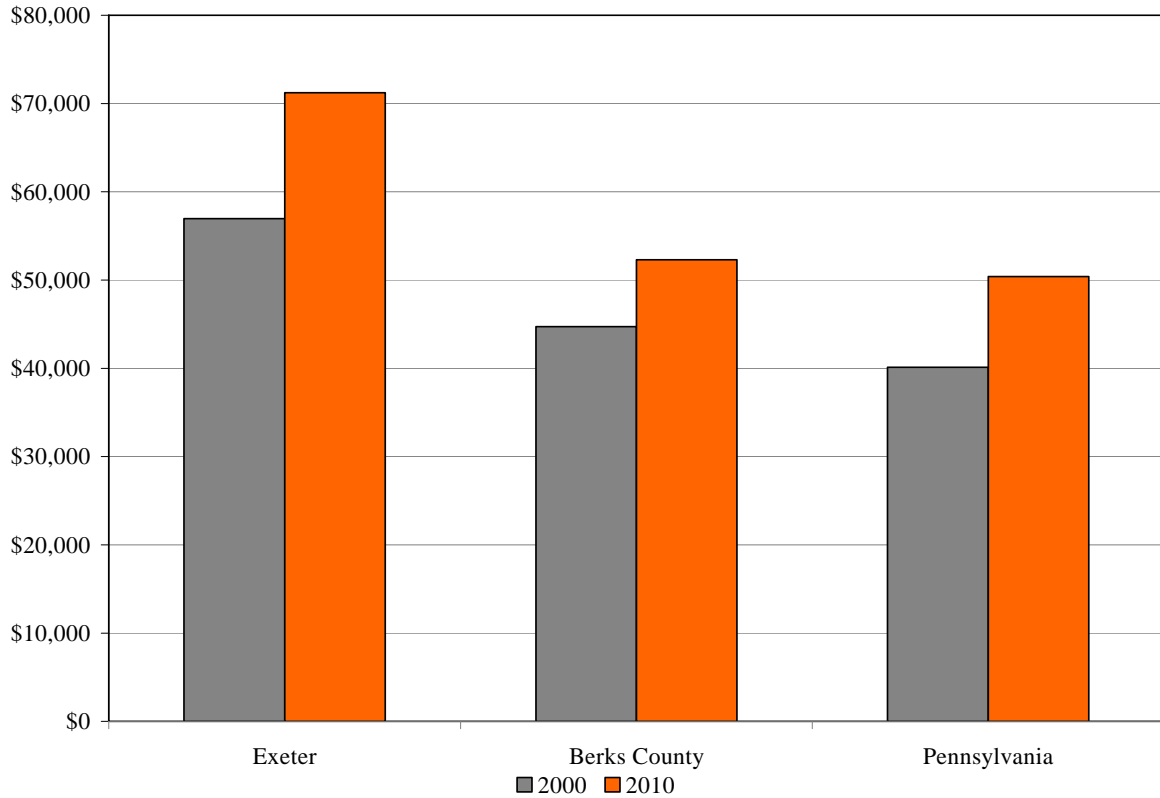
Median household income in Exeter Township increased from \$56,956 in 2000 to \$71,232 in 2010—up by \$14,276 or 25.1 percent. As a point of reference, during the same period, median household income in Berks County rose from \$44,714 to \$52,307 or \$7,593 or 17.0 percent. For Pennsylvania, median household income increased from \$40,106 to \$50,398 in 2010 (an increase of \$10,292 or 25.7 percent). A household is defined as all persons who occupy a housing unit as opposed to a family which is defined as a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. (See Table 3-9 and Graph 3-3.)

Table 3-9
EXETER TOWNSHIP
 Median Household Income
 2000 to 2010

	Actual 2000	Actual 2010	Change 2000 to 2010	
			\$	%
Exeter Township	\$56,956	\$71,232	14,276	25.1
Berks County	\$44,714	\$52,307	7,593	17.0
Pennsylvania	\$40,106	\$50,398	10,292	25.7

SOURCE: U.S. Bureau of the Census

Graph 3-3
 Median Household Income
 Exeter Township, Berks County, and Pennsylvania
 2000 to 2010



Based upon the brief demographic profile provided above some conclusions may be derived:

- Population increased considerably in Exeter Township, growing steadily from the 1970s through 2010.
- Most of the population growth can be attributed to in-migration as opposed to birth rate.
- The median age of the Township’s population in 2010 was 41.4 years—2.7 years older than it was in 2000 and slightly older than in the County as a whole.
- Exeter Township’s population under age 18 experienced the least amount of growth from 2000 to 2010. The greatest overall growth was in the number of people age 18

- to 64, which increased by 2,677 people or 20.7 percent. The largest percentage growth was in the 65 and over category, which increased by 959 or 32.9 percent.
- The number of housing units increased by 22.5 percent in the Township from 2000 to 2010, while they grew in the County by 2.8 percent and in the state by 6.0 percent during this same period.
 - The percentage of owner-occupied housing dropped in the Township, the County and the state from 2000 to 2010. The greatest change was recorded in the Township, which fell from 88.8 percent in 2000 to 86.2 percent in 2010.
 - From 2000 to 2010, the median value of owner-occupied housing units grew in the Township, the County and the state, but Exeter's increase (44.7 percent) was below the County (60.4 percent) and the state (70.1 percent). Still, the 2010 median value in Exeter (\$173,300) was higher than the County (\$168,300) and the state (\$165,000).
 - The rate of growth in the median per capita income in the Township was higher than both the County and the Commonwealth. The Township's growth was 31.1 percent compared to 21.1 percent in the County and 29.5 percent in the Commonwealth.
 - The rate of growth in median household income in the Township (25.1 percent) was above the County (17.0 percent) and on par with the Commonwealth (25.7 percent).

CHAPTER 4
HISTORICAL REVIEW OF TOWNSHIP FINANCES
2008 - 2012

Introduction

Despite property tax increases in 2009 and 2010, Exeter Township's revenues ultimately failed to keep pace with expenditures, resulting in a deficit in 2012. The deficit occurred even though the Township reduced non-personnel expenditures by almost one-third. Although real estate tax revenue grew by almost 50 percent from 2008 to 2012, real estate transfer taxes and fees associated with development dropped. The Township also lost revenue when the neighboring borough of St. Lawrence ended its police services contract. Earned income taxes, the Township's most significant source of tax revenue, essentially remained flat. Meanwhile, personnel expenses steadily grew by almost \$500,000.

Methodology

PEL compiled this historical review of Exeter's general fund through analysis of year-end financial reports, independent audits, annual budgets, debt obligation documents, salary and benefit data, pension obligations and other financial obligations, as well as interviews with Township officials.

Revenues and Expenditures

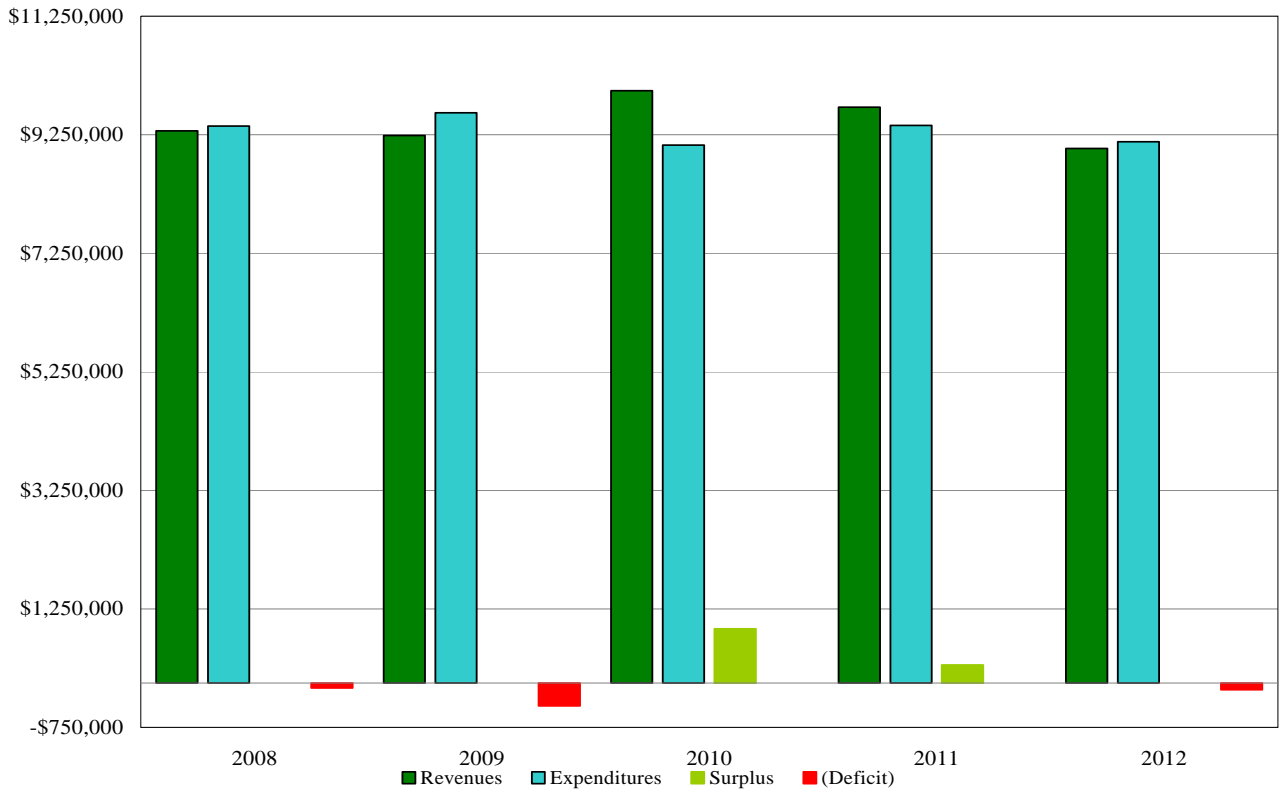
Exeter collected \$9.3 million in revenue for 2008. Revenue dropped in 2009 to \$9.2 million, and then grew to almost \$10 million in 2010, which was the peak for the historical review period. In 2011, revenues fell to \$9.7 million and then dropped again in 2012, ending the period at \$9 million. Expenditures also fluctuated, starting at almost \$9.4 million in 2008, growing to \$9.6 million in 2009 and then falling to just under \$9.1 million in 2010. In 2011, expenditures rose to \$9.4 million and then dropped to \$9.1 million in 2012. The pattern of varying revenues and expenditures is reflected in the Township's bottom line. Exeter experienced shortfalls in 2008, 2009 and 2012, while surpluses occurred in 2010 and 2011. The change in revenues from 2008 to 2012 was a decrease of \$297,383 or 3.2 percent. Expenditures dropped during the same time period by \$265,351 or 2.8 percent. (See Table 4-1 and Graph 4-1.)

Table 4-1
 EXETER TOWNSHIP
Revenues and Expenditures
Yearly Surplus/Deficit
 2008 - 2012

	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Revenues	\$9,314,887	\$9,234,931	\$9,990,925	\$9,712,919	\$9,017,504	-297,383	-3.2
Expenditures	9,397,374	9,620,508	9,076,626	9,408,310	9,132,023	-265,351	-2.8
Surplus/Deficit	-82,487	-385,576	914,299	304,609	-114,519	-32,032	38.8

Not all figures may add due to rounding.

Graph 4-1
 EXETER TOWNSHIP
Revenue, Expenditures, Surplus/(Deficit)
 2008 – 2012



Revenue Components

Total tax revenue grew by 10.1 percent or \$583,337 over the historical review period. Exeter collected approximately \$5.8 million in tax revenue in 2008 compared to \$6.3 million in 2012. Tax revenue as a percentage of total revenue was below 70 percent from 2008 to 2011, increasing to 70.2 percent in 2012. Non-tax revenue peaked at approximately \$3.5 million in 2008 or 37.3 percent of total revenue. However, non-tax revenue for that year included one-time income of approximately \$425,000 that was related to development. Even if the one-time revenues are removed for comparison purposes, total non-tax revenue for 2012 of \$2.5 million is below the amount collected in 2008. The change in non-tax revenue from 2008 to 2012 (including 2008’s one-time revenues) was a decrease of \$978,577 or 28.2 percent. The refund of prior year’s expenses category reflects the Township’s health insurance usage. Exeter’s Police Department and department heads are covered by a self-insured health care plan through the Pennsylvania Municipal Health Insurance Cooperative. Refunds are received when payments exceed expenditures. Health insurance usage is unpredictable and annual refund amounts reflect that lack of predictability. During the historical review period, refunds peaked at \$243,429 in 2010 and were at the lowest point in 2008 (\$63,560). Revenue from refunds ended the review period on a positive note at \$186,424 in 2012, an increase of \$122,864 over 2008. (See Table 4-2 and Graph 4-2.)

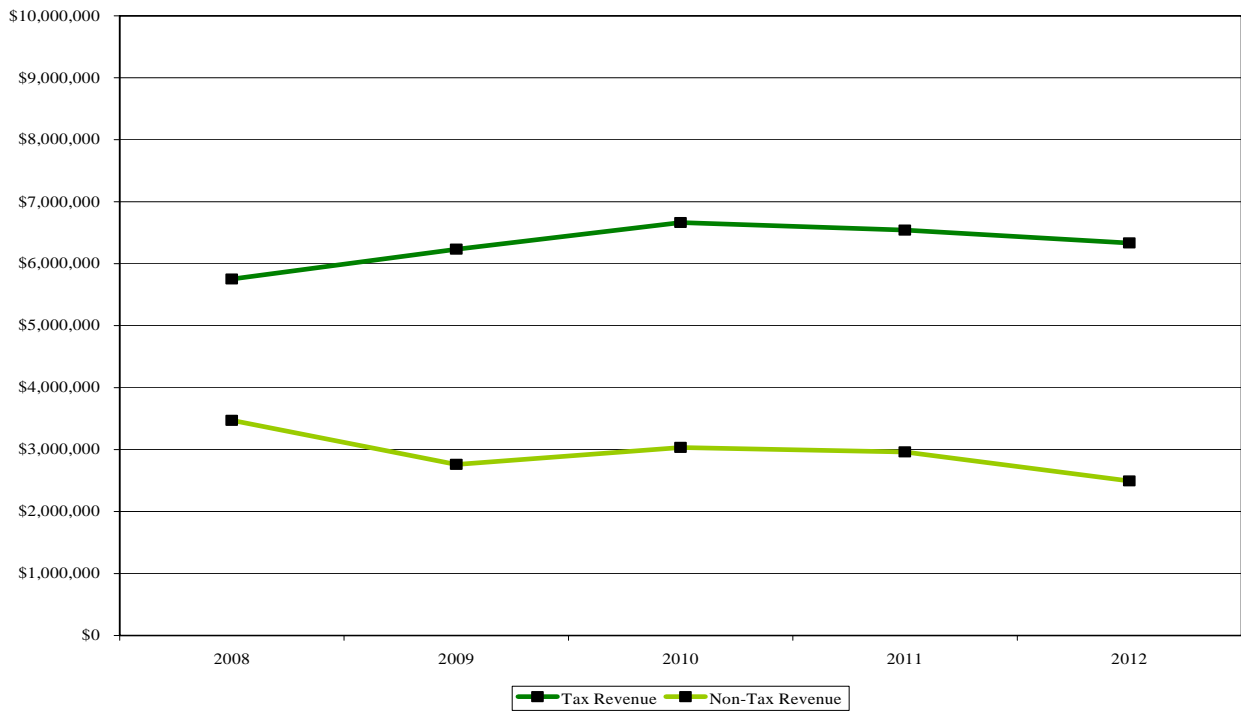
Table 4-2
EXETER TOWNSHIP
Total Revenues
2008 - 2012

Revenue By Category Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	Actual	Actual	Actual	Actual	Actual	\$	%
Tax Revenue	\$5,751,365	\$6,233,803	\$6,663,999	\$6,540,183	\$6,334,701	583,337	10.1
Non-Tax Revenue	3,473,141	2,759,475	3,034,048	2,961,844	2,494,565	-978,577	-28.2
Transfers	15,000	105,000	49,449	1,455	1,814	-13,186	-87.9
Bond Proceeds	11,822	0	0	0	0	-11,822	-100.0
Refunds - Pr Yr Expenses	<u>63,560</u>	<u>136,654</u>	<u>243,429</u>	<u>209,436</u>	<u>186,424</u>	<u>122,864</u>	<u>193.3</u>
Total Revenue	\$9,314,887	\$9,234,931	\$9,990,925	\$9,712,919	\$9,017,504	-\$297,383	-3.2

<u>Percentage of Total Revenues</u>						
Tax Revenue	61.7	67.5	66.7	67.3	70.2	
Non-Tax Revenue	37.3	29.9	30.4	30.5	27.7	
Transfers	0.2	1.1	0.5	0.0	0.0	
Bond Proceeds	0.1	0.0	0.0	0.0	0.0	
Refunds - Pr Yr Expenses	<u>0.7</u>	<u>1.5</u>	<u>2.4</u>	<u>2.2</u>	<u>2.1</u>	
Total Revenue	100.0	100.0	100.0	100.0	100.0	

Not all figures may add due to rounding.

Graph 4-2
EXETER TOWNSHIP
Tax Revenue and Non-Tax Revenue
 2008 - 2012



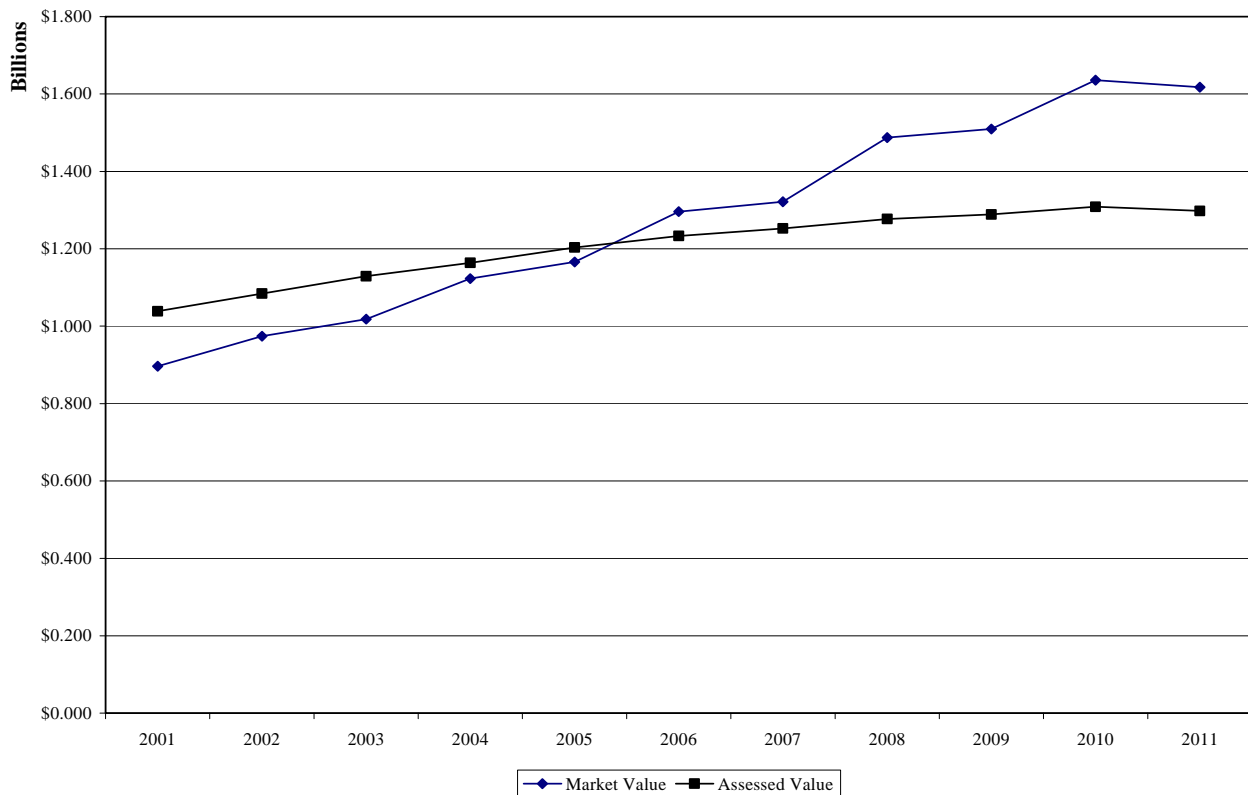
Real Estate Taxes and Assessments

Despite an 80.5 percent rise in Exeter’s market value from 2001 to 2011 as estimated by the State Tax Equalization Board (STEB), Berks County’s assessed value for the Township increased by only 24.9 percent during that time period. As a result, the Township was unable to capture market value growth that might have lessened the need for property tax increases or reduced the amount of property tax increases that were required to meet expenses. In 2001, estimated market value was below assessed value, but that changed in 2005 when the Township’s estimated market value exceeded assessed value. (See Table 4-3 and Graph 4-3)

Table 4-3
 EXETER TOWNSHIP
Market Value and Assessed Value
 2001-2011

	<u>Market Value</u>	<u>Change</u>	<u>% Change</u>	<u>Assessed Value</u>		
2001	\$896,511,400	—	—	\$1,038,843,000	—	—
2002	974,238,900	77,727,500	8.7	1,084,518,500	45,675,500	4.4
2003	1,018,290,700	44,051,800	4.5	1,129,460,100	44,941,600	4.1
2004	1,123,071,500	104,780,800	10.3	1,163,859,200	34,399,100	3.0
2005	1,166,139,800	43,068,300	3.8	1,203,513,600	39,654,400	3.4
2006	1,296,011,900	129,872,100	11.1	1,233,362,000	29,848,400	2.5
2007	1,321,894,900	25,883,000	2.0	1,252,590,600	19,228,600	1.6
2008	1,487,649,433	165,754,533	12.5	1,276,932,300	24,341,700	1.9
2009	1,509,715,791	22,066,358	1.5	1,289,134,400	12,202,100	1.0
2010	1,635,609,823	125,894,032	8.3	1,308,870,200	19,735,800	1.5
2011	1,617,815,636	-17,794,186	-1.1	1,297,662,400	-11,207,800	-0.9
Change 2001 - 2011		\$721,304,236	80.5		\$258,819,400	24.9

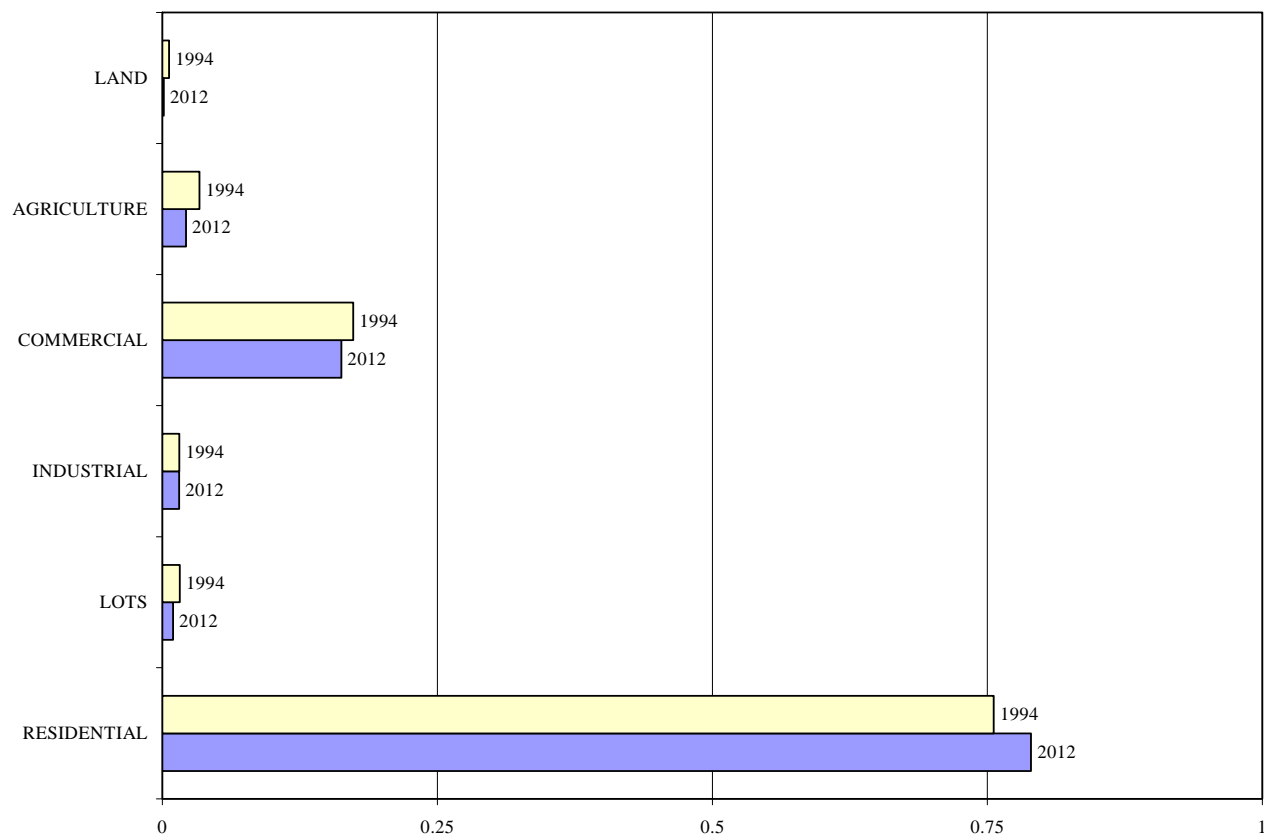
Graph 4-3
 EXETER TOWNSHIP
Real Estate Market Value and Assessed Value
 2001 - 2011



Assessed Value by Category

The bulk of Exeter’s assessed value is in residential uses, growing from 75.6 percent of total land value in 1994 to 79.0 percent in 2012. The proportionate value of lots, commercial, agricultural and open land decreased during that period, while industrial remained constant. The figures indicate that there may be less open land (lots, agricultural, land) available for residential development to increase the tax base through new construction and earned income tax growth. In addition, most property tax dollars are already coming from resident uses as opposed to non-residential categories. (See Graph 4-4.)

Graph 4-4
 EXETER TOWNSHIP
Percentage of Assessed Valuation By Category
 1994 and 2012



Real Estate Taxes

Fueled by two property tax increases, the Township’s real estate tax collections have increased by \$702,809 or 48.7 percent from \$1.4 million in 2008 to \$2.1 million in 2012. Exeter’s general purpose millage in 2008 was 1.14 mills. The Township increased general

purpose property taxes in 2009 to 1.44 mills, with collections growing to \$1.8 million as a result. General purpose real estate taxes rose again in 2010 to 1.64 mills. Consequently, collections increased to just over \$2.1 million, where they remained through 2012. At the start of the historical review period, general purpose real estate taxes accounted for 25.1 percent of total taxes. By 2012, general purpose real estate taxes had risen to 33.9 percent of total taxes. The Township also levies debt service millage, which fluctuated from 0.65 mills in 2008 and 2009 to 0.45 mills in 2010 to 0.55 mills in 2011, its current level. The debt service millage is used to pay for debt that was incurred when Exeter purchased the Reading Country Club. In addition to debt service millage, Township property owners pay a fire equipment and fire house millage. The tax was 0.24 mills in 2008 and 2009, increased to 0.34 mills in 2010, and rose to the current rate of 0.5050 in 2011. (See Table 4-4.)

Table 4-4
EXETER TOWNSHIP
Total Tax Revenue
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Real Estate Taxes	\$1,443,080	\$1,838,680	\$2,148,496	\$2,175,878	\$2,145,889	702,809	48.7
Per Capita	70,440	71,206	70,545	71,996	69,684	-756	-1.1
Real Estate Transfer Tax	605,237	364,713	507,924	298,519	253,189	-352,048	-58.2
Earned Income Tax	3,086,099	3,302,419	3,168,652	3,266,915	3,021,920	-64,179	-2.1
Local Service Tax	215,479	305,512	299,465	311,700	314,950	99,471	46.2
Business Privilege Tax	325,630	345,879	462,848	408,517	523,805	198,176	60.9
Penalties/Interest Taxes	5,400	5,394	6,068	6,660	5,264	-136	-2.5
Total Taxes	5,751,365	6,233,803	6,663,999	6,540,183	6,334,701	583,337	10.1

Category	Percentage of Total Tax Revenue				
	2008	2009	2010	2011	2012
Real Estate Taxes	25.1	29.5	32.2	33.3	33.9
Per Capita	1.2	1.1	1.1	1.1	1.1
Real Estate Transfer Tax	10.5	5.9	7.6	4.6	4.0
Earned Income Tax	53.7	53.0	47.5	50.0	47.7
Local Service Tax	3.7	4.9	4.5	4.8	5.0
Business Privilege Tax	5.7	5.5	6.9	6.2	8.3
Penalties/Interest Taxes	0.1	0.1	0.1	0.1	0.1
Total Taxes	100.0	100.0	100.0	100.0	100.0

Not all figures may add due to rounding.

Non Real Estate (Act 511) Taxes

The Township levies earned income, real estate transfer, and local services taxes. The earned income tax is 0.5 percent. The local services tax is \$42 annually, and the realty transfer tax is 0.5 percent. Other Act 511 taxes include mercantile/business privilege taxes ranging from 0.5 mills for wholesale to 0.75 mills for retail and a per capita tax of \$5 annually.

Earned income is Exeter's most productive tax, historically accounting for approximately half of total tax revenues. However, during the review period, revenues from earned income taxes dropped, decreasing by 2.1 percent or \$64,179 from just under \$3.1 million in 2008 to approximately \$3.0 million in 2012. EIT collections peaked in 2009 at \$3.3 million, decreased to \$3.2 million and then rose to approximately \$3.3 million in 2011. EIT revenue for 2012 decreased in part because of a so-called take back of \$122,000 by the Berks Earned Income Tax Bureau that was related to the new countywide tax collection process. The Township paid the same "take back" amount in 2013. However, the historical review also indicates a pattern of annual fluctuations in EIT revenue. The pattern could be tied to the previous collection method and/or the fact that the Township operates its financial system on a cash basis. Assuming the pattern is a result of the collection method, the new countywide tax collection process could result in more consistency regarding annual EIT revenue.

The local services tax is levied on residents and nonresidents working within the Township. The maximum rate that a municipality can charge for the tax is \$52 subject to sharing with the school district. In the case of Exeter, the Exeter Township School District levies \$10 for local services with the remainder received by Exeter Township. Based on the average receipts for the review period, the tax was paid by almost 7,500 employees each year.

Local services tax revenue steadily grew during the historical review period, increasing by \$99,471 or 46.2 percent from \$215,479 in 2008 to \$314,950 in 2012. As a percentage of total taxes, the local services tax remained at 5 percent or less of total taxes.

Business privilege/mercantile taxes increased significantly, rising by \$198,176 or 60.9 percent from \$325,630 in 2008 to \$523,805 in 2012. However, the 2012 figure includes a one-time settlement of approximately \$100,000. As a percentage of total taxes, business privilege/mercantile taxes increased from 5.7 percent of total taxes in 2008 to 8.3 percent of total taxes in 2012 due to the settlement.

The real estate transfer tax, which reflects activity in the Township's real estate market, fluctuated from 2008 to 2012, starting at \$605,237 in 2008, dropping to \$364,713 in 2009, and then growing to \$507,924 in 2010. Collections fell to \$298,519 in 2011 and to \$253,189 in 2012. The change from 2008 to 2012 was a decrease of \$352,048 or 58.2 percent. Due to the wide fluctuations, real estate transfer taxes ranged from a high of 10.5 percent to a low of 4.0 percent of total taxes over the historical review period.

Per capita tax collection, which was not a significant source of revenue at just over one percent of total taxes, was stable at approximately \$70,000 annually.

Non-Tax Revenue

Intergovernmental revenue, sanitation fees, protective inspection and UCC fees, and licenses and permits were the dominate sources of non-tax revenue. The peak of intergovernmental revenue was \$1.1 million in 2011 when the Township received additional one-time pension funds from the state, while its low point was \$697,044 in 2009. The change between the \$777,681 received in 2012 and the \$768,301 obtained in 2008 was an increase of only \$9,380 or 1.2 percent. Intergovernmental revenue ranged from a low of 22.1 percent of total non-tax revenue in 2008 to a high of 37.5 percent of total non-tax revenue in 2011. Sanitation fees, roughly 25 percent of total non-tax revenue, varied over the review period, with the change between 2008 (\$869,338) and 2012 (\$704,238) a drop of \$165,099 or 19.0 percent. The highest fee collection was \$873,077 in 2010. The category includes landfill host fees, solid waste collection and sale of recycling materials.

Protective inspection and UCC fees remained a significant source of revenue but steadily declined from 15 percent of total non-tax revenue in 2008 to only 8.4 percent in 2012. The category decreased by \$312,016 or 59.8 percent from \$521,750 in 2008 to \$209,734 in 2012. Licenses and permits, meanwhile, grew to over 10 percent of total non-tax revenue during the review period, although annual amounts varied. The category increased by \$124,422 or 52.2 percent from \$238,337 in 2008 to \$362,759 in 2012. (See Table 4-5.)

Table 4-5
EXETER TOWNSHIP
Total Non-Tax Revenues
 2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Licenses & Permits	\$238,337	\$294,739	\$318,020	\$409,710	\$362,759	124,422	52.2
Fines & Forfeits	176,277	179,637	169,971	127,643	133,608	-42,670	-24.2
Interest	61,072	37,496	43,688	52,592	18,266	-42,806	-70.1
Rental Income	0	0	25,384	18,850	22,829	22,829	—
Intergovernmental Revenue	768,301	697,044	839,015	1,112,014	777,681	9,380	1.2
Public Utility Realty Tax	8,160	9,741	10,639	10,852	10,885	2,725	33.4
Departmental Earnings	1,000	0	0	0	0	-1,000	-100.0
Zoning Fees	77,805	129,246	71,624	30,950	13,200	-64,605	-83.0
Plan Review Fees	12,899	38,106	13,846	12,629	6,640	-6,259	-48.5
Public Safety Fees	147,347	143,608	17,542	19,025	17,970	-129,377	-87.8
Protective Inspection/ UCC	521,750	416,675	403,923	234,932	209,734	-312,016	-59.8
Highway & Street Fees	30,832	27,338	61,464	6,385	12,646	-18,187	-59.0
Sanitation Fees	869,338	653,932	873,077	711,617	704,238	-165,099	-19.0
Culture & Recreation Fees	118,950	105,542	128,188	141,346	139,121	20,172	17.0
User Fees	0	0	0	0	181	181	—
Miscellaneous Revenue	433,300	14,142	38,291	70,382	52,871	-380,429	-87.8
Donations	0	5,570	13,005	625	445	445	—
Sale of Assets - General	<u>7,773</u>	<u>6,658</u>	<u>6,370</u>	<u>2,291</u>	<u>11,489</u>	<u>3,716</u>	<u>47.8</u>
Total Nontax Revenue	3,473,141	2,759,475	3,034,048	2,961,844	2,494,565	-978,577	-28.2

Category	Percentage of Total Non-Tax Revenue				
Licenses & Permits	6.9	10.7	10.5	13.8	14.5
Fines & Forfeits	5.1	6.5	5.6	4.3	5.4
Interest	1.8	1.4	1.4	1.8	0.7
Rental Income	0.0	0.0	0.8	0.6	0.9
Intergovernmental Revenue	22.1	25.3	27.7	37.5	31.2
Public Utility Realty Tax	0.2	0.4	0.4	0.4	0.4
Departmental Earnings	0.0	0.0	0.0	0.0	0.0
Zoning Fees	2.2	4.7	2.4	1.0	0.5
Plan Review Fees	0.4	1.4	0.5	0.4	0.3
Public Safety Fees	4.2	5.2	0.6	0.6	0.7
Protective Inspection / UCC	15.0	15.1	13.3	7.9	8.4
Highway & Street Fees	0.9	1.0	2.0	0.2	0.5
Sanitation Fees	25.0	23.7	28.8	24.0	28.2
Culture & Recreation Fees	3.4	3.8	4.2	4.8	5.6
User Fees	0.0	0.0	0.0	0.0	0.0
Miscellaneous Revenue	12.5	0.5	1.3	2.4	2.1
Donations	0.0	0.2	0.4	0.0	0.0
Sale of Assets - General	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.5</u>
Total Nontax Revenue	100.0	100.0	100.0	100.0	100.0

Not all figures may add due to rounding.

Real Estate Tax Revenue versus Non-Millage Property-Based Tax and Fees

Exeter Township historically has received a considerable amount of revenue from taxes and fees related to development including real estate transfer tax, zoning fees, plan review fees, and protective inspection and UCC fees. As residential development declined, the amount of revenue from those sources has dropped. For example, subdivision inspection revenue was

\$132,886 in 2008, \$205,777 in 2009 and \$115,397 in 2010, and then dropped to zero for 2011 and 2012. Similarly, the highest point for building permit revenue was \$333,045 in 2008. The figure fell steadily throughout the next five years, ending at the low point of \$61,446 in 2012. It is important to note that the Township has little control over development-related revenue while it does have influence over real estate tax revenue through millage increases. (See Table 4-6 and Graphs 4-5 and 4-6.)

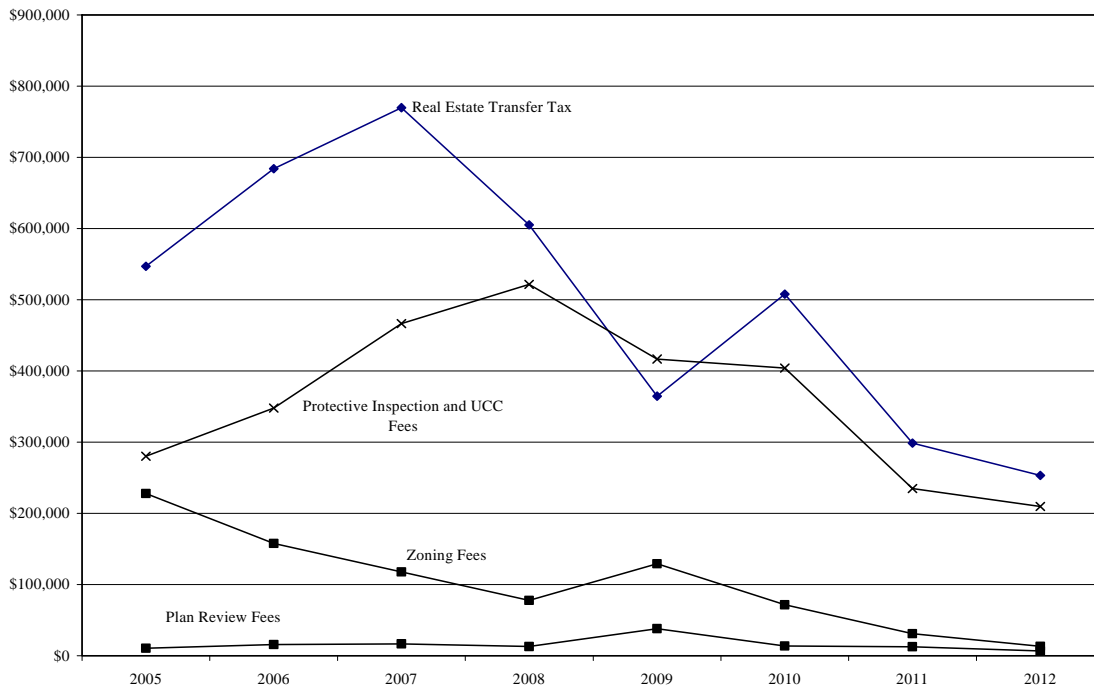
Table 4-6
EXETER TOWNSHIP
Total Zoning Fees, Plan Review Fees and Protective Inspection/UCC Fees
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Subdivision Fees	\$68,288	\$110,696	\$53,074	\$ 0	\$ 0	-68,288	-100.0
Zoning Permit Fees	<u>9,516</u>	<u>18,550</u>	<u>18,550</u>	<u>30,950</u>	<u>13,200</u>	<u>3,684</u>	<u>38.7</u>
Total Zoning Fees	\$77,805	\$129,246	\$71,624	\$30,950	\$13,200	-64,605	-83.0
Fire System Plan Reviews	\$6,772	\$32,922	\$10,075	\$10,856	\$3,155	-3,617	-53.4
Fitness Certificate/Fire	3,400	4,600	2,900	1,400	2,300	-1,100	-32.4
Sale of Publications	<u>2,727</u>	<u>584</u>	<u>872</u>	<u>373</u>	<u>1,185</u>	<u>-1,542</u>	<u>-56.5</u>
Total Plan Review Fees	\$12,899	\$38,106	\$13,846	\$12,629	\$6,640	-6,259	-48.5
Building Permits	\$333,045	\$117,154	\$107,241	\$77,625	\$61,446	-271,599	-81.6
Permit Issuance Fee	3,079	2,622	2,364	2,675	2,407	-672	-21.8
Labor & Industry Fee	517	297	196	28	529	12	2.3
Occupancy Permits	8,700	7,600	5,350	5,950	4,350	-4,350	-50.0
Plumbing Permits	37,620	78,482	170,030	52,085	47,078	9,458	25.1
On Lot Sewage Permits	5,903	4,744	3,345	1,884	5,698	-205	-3.5
Subdivision Inspections	132,886	205,777	115,397	0	0	-132,886	-100.0
Engineering Review & Insp.	<u>0</u>	<u>0</u>	<u>0</u>	<u>94,685</u>	<u>88,226</u>	<u>88,226</u>	<u>0.0</u>
Protective Inspection & UCC Fees	521,750	416,675	403,923	234,932	209,734	-312,016	-59.8

Graph 4-5
 EXETER TOWNSHIP
Real Estate Taxes and Non-Millage Property-Based Tax and Fees
 2005-2012



Graph 4-6
 EXETER TOWNSHIP
Real Estate Transfer Tax, Zoning Fees, Plan Review Fees and Protective Inspection UCC Fees
 2005-2012



Expenditure Components

Personnel versus Non-Personnel Expenditures

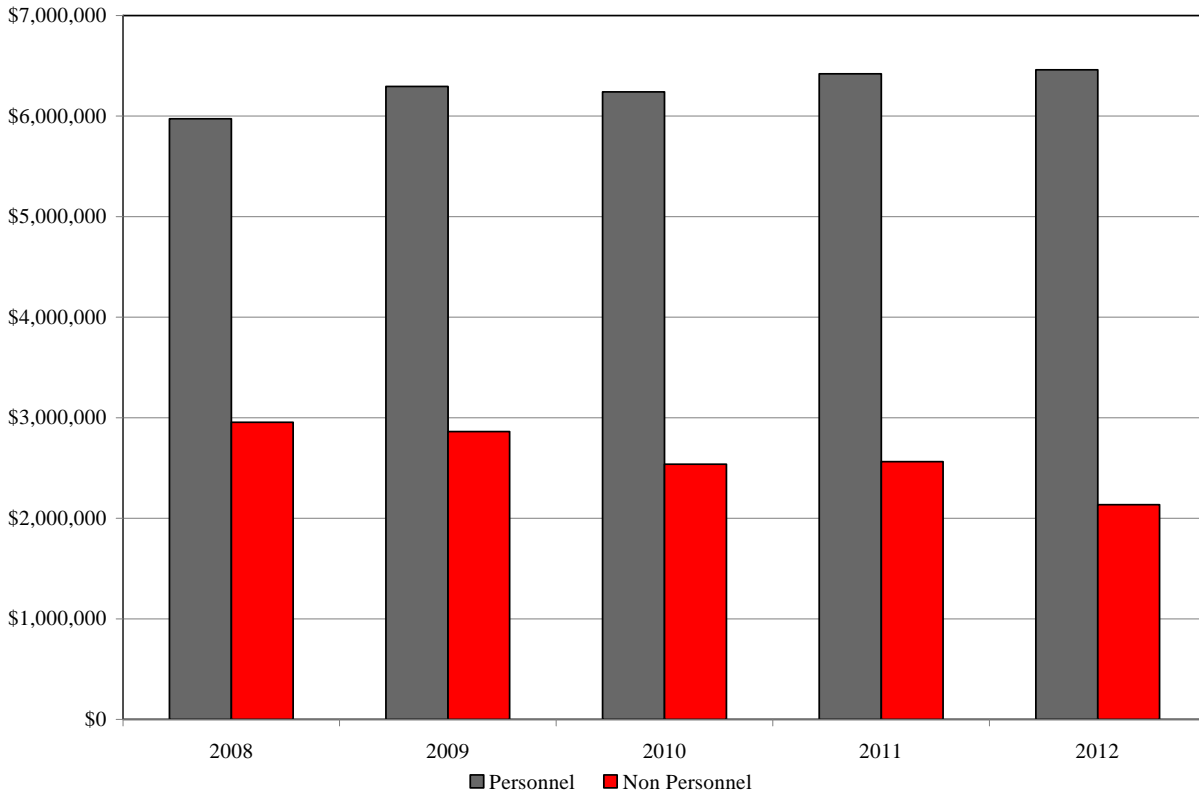
Personnel expenditures increased over the historical review period, with employee costs rising by \$487,216 or 8.2 percent. In contrast, non-personnel costs dropped by \$820,523 or 27.8 percent. Employee expenditures grew fairly steadily from almost \$6.0 million in 2008 to just under \$6.5 million in 2012, with the largest one-year increase from 2008 to 2009 and a small decline in 2010. Nonemployee expenditures fell from a high of almost \$3 million in 2008 to a low of \$2.1 million in 2012. The most significant decreases were between 2009 and 2010 (\$2.9 million to \$2.5 million) and 2011 and 2012 (\$2.6 million to \$2.1 million). Personnel expenditures increased as a percentage of total expenditures accordingly from 63.6 percent in 2008 to 70.8 percent in 2012. Other uses, which include debt service, transfers and refund of prior revenues, fluctuated from a low of \$298,635 in 2010 to a high of \$536,039 in 2012. The change between 2008 and 2012 was an increase of \$67,956 or 14.5 percent. (See Table 4-7 and Graph 4-7.)

Table 4-7
EXETER TOWNSHIP
Personnel and Non-Personnel Expenditures
2008 - 2012

Category	2008	2009	2010	2011	2012	<u>Change 2008 - 2012</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Personnel	\$5,974,013	\$6,294,139	\$6,240,918	\$6,420,405	\$6,461,229	487,216	8.2
Non-Personnel	2,955,278	2,862,468	2,537,074	2,563,969	2,134,755	-820,523	-27.8
Other Uses	<u>468,083</u>	<u>463,901</u>	<u>298,635</u>	<u>423,936</u>	<u>536,039</u>	<u>67,956</u>	<u>14.5</u>
Total Expenditures	9,397,374	9,620,508	9,076,626	9,408,310	9,132,023	-265,351	-2.8
<u>Percentage of Total</u>							
Personnel	63.6	65.4	68.8	68.2	70.8		
Non-Personnel	31.4	29.8	28.0	27.3	23.4		
Other Uses	<u>5.0</u>	<u>4.8</u>	<u>3.3</u>	<u>4.5</u>	<u>5.9</u>		
Total Expenditures	100.0	100.0	100.0	100.0	100.0		

Not all figures may add due to rounding.

Graph 4-7
 EXETER TOWNSHIP
Personnel and Non-Personnel Expenditures
 2008 - 2012



Personnel Expenditures

Health insurance experienced the largest absolute increase in the personnel category, rising by \$224,399 or 22.8 percent, from \$982,849 in 2008 to \$1.2 million in 2012. Other areas that saw growth were salaries and wages, which rose by \$156,056 or 4.0 percent from \$3.9 million in 2008 to \$4.0 million in 2012, and pension, which increased by \$102,254 or 22.6 percent from \$451,655 in 2008 to \$553,908 in 2012. The largest decrease was in overtime, which dropped from \$263,150 in 2008 to \$224,470 in 2012, a decrease of \$38,680 or 14.7 percent. Salaries account for over 60 percent of personnel expenditures, followed by employee health insurance, averaging 17.7 percent. All other categories are less than 10 percent of personnel expenditures. (See Table 4-8.)

Table 4-8
EXETER TOWNSHIP
Personnel Expenditures
 2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	Actual	Actual	Actual	Actual	Actual	\$	%
Salaries & Wages	\$3,900,926	\$4,121,303	\$3,930,420	\$3,970,163	\$4,056,982	156,056	4.0
Overtime	263,150	273,721	304,056	248,736	224,470	-38,680	-14.7
Medical	982,849	1,083,016	1,096,542	1,179,623	1,207,249	224,399	22.8
Life Insurance	10,743	11,321	10,298	8,643	8,859	-1,883	-17.5
LT Disability	5,209	6,466	4,982	4,201	4,336	-873	-16.8
FICA/Medicare	154,604	159,370	158,022	159,852	160,385	5,781	3.7
Unemployment Comp	12,433	13,435	5,845	5,672	12,839	405	3.3
Pension	451,655	468,199	480,257	617,137	553,908	102,254	22.6
Workers' Comp	160,967	127,653	215,956	195,586	202,546	41,579	25.8
Uniform Expense	34,330	47,989	37,957	38,293	22,082	-12,248	-35.7
Training	<u>31,478</u>	<u>29,654</u>	<u>34,539</u>	<u>30,793</u>	<u>29,656</u>	<u>-1,822</u>	<u>-5.8</u>
Total Employee	6,008,344	6,342,128	6,278,875	6,458,698	6,483,311	474,968	7.9

Category	Percentage of Total Personnel Expenditures				
	2008	2009	2010	2011	2012
Salaries & Wages	64.9	65.0	62.6	61.5	62.6
Overtime	4.4	4.3	4.8	3.9	3.5
Medical	16.4	17.1	17.5	18.3	18.6
Life Insurance	0.2	0.2	0.2	0.1	0.1
LT Disability	0.1	0.1	0.1	0.1	0.1
FICA/Medicare	2.6	2.5	2.5	2.5	2.5
Unemployment Comp	0.2	0.2	0.1	0.1	0.2
Pension	7.5	7.4	7.6	9.6	8.5
Workers' Comp	2.7	2.0	3.4	3.0	3.1
Uniform Expense	0.6	0.8	0.6	0.6	0.3
Training	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.5</u>	<u>0.5</u>
Total Employee	100.0	100.0	100.0	100.0	100.0

Not all figures may add due to rounding.

Non-Personnel Expenditures

The bulk of non-personnel expenses fell from 2008 to 2012, with the largest monetary drops in professional services; contracted services; contributions, grants and subsidies; and other services and charges. Operating and other supplies, insurance and bonding, and electricity also declined significantly relative to their total amounts. Professional services fell by \$208,890 or 53.8 percent from \$388,320 in 2008 to \$179,430, the lowest point during the review period. Expenditures for professional services peaked at \$496,331 in 2009. Contracted services steadily dropped from \$485,733 in 2008 to \$327,878 in 2012, a decrease of \$157,856. Contributions, grants and subsidies decreased a similar amount (\$157,479) from \$264,901 in 2008 to \$107,422 in 2012. Other services and charges peaked at \$245,948 in 2008, declined to its lowest point at \$83,111 in 2011, and ended the review period up slightly at \$110,095. The highest percentage of non-employee expenses was spent in contracted services and professional services. All other non-personnel expenditures remained below 10 percent of total costs for the entire review period with the exception of Foreign Fire Insurance, which is a pass-through item equal to income received from the Commonwealth. (See Table 4-9.)

Table 4-9
EXETER TOWNSHIP
Non-Personnel Expenditures
 2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Supplies	\$170,806	\$185,066	\$120,063	\$169,442	\$110,989	-59,817	-35.0
Office Supplies	17,455	20,487	17,698	20,647	18,976	1,521	8.7
Operating Supplies	134,225	88,365	71,798	66,004	49,392	-84,833	-63.2
Vehicle Maintenance	174,054	118,723	146,171	166,518	155,840	-18,214	-10.5
Tools & Minor Equipment	5,874	5,312	6,707	5,520	4,883	-991	-16.9
Other Services & Charges	245,948	114,225	123,503	83,111	110,095	-135,853	-55.2
Professional Services	388,320	496,331	283,743	192,954	179,430	-208,890	-53.8
Tax Collection	13,528	16,286	21,125	18,005	20,189	6,661	49.2
Communications Expense	146,493	153,513	153,394	146,349	159,165	12,673	8.7
Advertising	31,217	33,194	30,020	31,439	28,072	-3,144	-10.1
Insurance & Bonding	198,616	175,185	148,389	149,398	156,087	-42,528	-21.4
Utilities	61,336	59,464	65,552	76,638	63,405	2,069	3.4
Electricity	63,083	71,313	23,820	30,059	28,628	-34,455	-54.6
Vehicle Fuel/Oil	83,906	61,074	65,107	91,528	92,582	8,676	10.3
Repairs & Maintenance	127,063	128,311	130,825	157,324	133,653	6,590	5.2
Equipment Rental	262	390	390	390	504	242	92.4
Dues, Subs. & Memberships	3,434	4,307	4,110	4,383	5,698	2,264	65.9
Taxes	469	2,893	1,539	367	0	-469	-100.0
Sanitation Service	11,777	11,548	11,237	5,134	7,149	-4,628	-39.3
Contracted Services	485,733	459,934	455,210	429,775	327,878	-157,856	-32.5
Contrib., Grants & Subsidies	264,901	222,365	114,623	126,379	107,422	-157,479	-59.4
Capital Purchase	116,803	124,868	250,584	239,202	136,285	19,482	16.7
Grant Expense	0	102,029	76,044	19,178	50,123	50,123	0.0
Minor Equipment	8,785	7,736	6,871	6,804	3,361	-5,424	-61.7
Foreign Fire Insurance	166,862	151,561	170,592	289,127	162,867	-3,995	-2.4
	2,920,948	2,814,479	2,499,116	2,525,676	2,112,673	-808,274	-27.7

Category	Percentage of Total Non-Personnel Expenditures				
Supplies	5.8	6.6	4.8	6.7	5.3
Office Supplies	0.6	0.7	0.7	0.8	0.9
Operating Supplies	4.6	3.1	2.9	2.6	2.3
Vehicle Maintenance	6.0	4.2	5.8	6.6	7.4
Tools & Minor Equipment	0.2	0.2	0.3	0.2	0.2
Other Services & Charges	8.4	4.1	4.9	3.3	5.2
Professional Services	13.3	17.6	11.4	7.6	8.5
Tax Collection	0.5	0.6	0.8	0.7	1.0
Communications Expense	5.0	5.5	6.1	5.8	7.5
Advertising	1.1	1.2	1.2	1.2	1.3
Insurance & Bonding	6.8	6.2	5.9	5.9	7.4
Utilities	2.1	2.1	2.6	3.0	3.0
Electricity	2.2	2.5	1.0	1.2	1.4
Vehicle Fuel/Oil	2.9	2.2	2.6	3.6	4.4
Repairs & Maintenance	4.4	4.6	5.2	6.2	6.3
Equipment Rental	0.0	0.0	0.0	0.0	0.0
Dues, Subs. & Memberships	0.1	0.2	0.2	0.2	0.3
Taxes	0.0	0.1	0.1	0.0	0.0
Sanitation Service	0.4	0.4	0.4	0.2	0.3
Contracted Services	16.6	16.3	18.2	17.0	15.5
Contrib., Grants & Subsidies	9.1	7.9	4.6	5.0	5.1
Capital Purchase	4.0	4.4	10.0	9.5	6.5
Grant Expense	0.0	3.6	3.0	0.8	2.4
Minor Equipment	0.3	0.3	0.3	0.3	0.2
Foreign Fire Insurance	5.7	5.4	6.8	11.4	7.7
Total Nonemployee	100.0	100.0	100.0	100.0	100.0

Not all figures may add due to rounding.

Departmental Expenditures

Unadjusted Departmental Expenditures versus Adjusted Departmental Expenditures

The majority of employer paid benefits were listed under General Government/Administration/Finance until 2011, when the Township began to account for benefits by department. Benefits included FICA/Medicare, health insurance, life insurance, disability insurance, pension and unemployment compensation. As a result, the Township's unadjusted expenditures will show a substantial drop in General Government/Administration/ Finance for 2011 and 2012, and a corresponding increase in expenditures for Public Safety, Public Works and Culture & Recreation. An adjusted figure with employer paid benefits removed allows for an "apples to apples" comparison and will be used throughout the remainder of the chapter.

Adjusted Departmental Expenditures

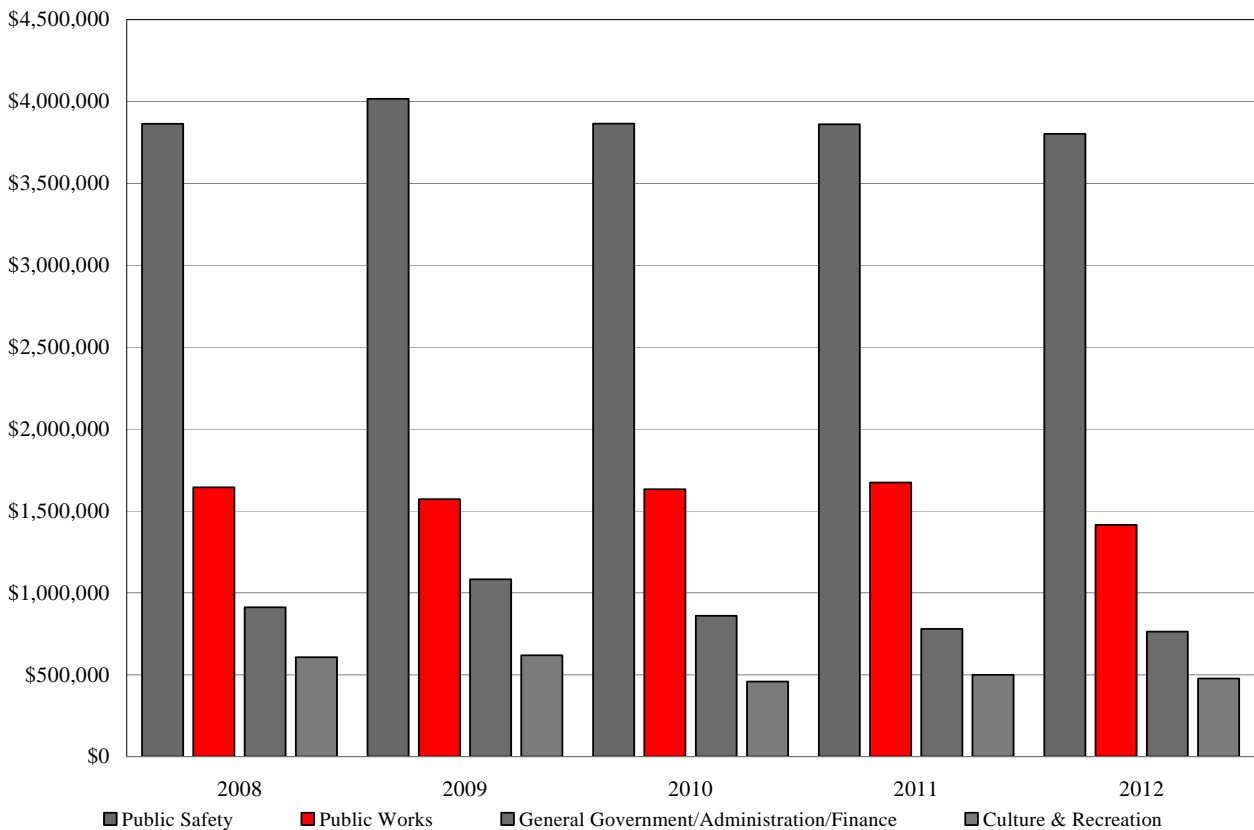
Exclusive of benefits, departmental spending dropped across the board. The largest absolute decline was in Public Works, followed by Culture & Recreation and General Government. During the review period, Public Works spending dropped by \$231,115 from \$1.6 million in 2008 to \$1.4 million in 2012. The decrease in General Government was \$148,471 over the same time frame, from \$911,604 in 2008 to \$763,133 in 2012. From 2008 to 2012, Culture & Recreation expenditures changed by \$129,642, decreasing from \$606,868 to \$477,227. Public Safety (Police, Fire, Ambulance, Code Enforcement, Planning/Zoning, Emergency Management, Health Department) expenses decreased but the \$61,344 drop was not substantial at 1.6 percent. Debt service remained relatively flat with the exception of 2010, when costs hit a low point of \$289,687. Exeter transferred funds twice during the review period — \$185,000 in 2008 and \$95,055 in 2012. In 2008, the Township transferred \$135,000 in order to assist in the purchase of a fire rescue pumper. An additional \$50,000 that same year was also transferred to the Fire Fund. Exeter terminated an interest rate basis swap in 2012. As a result, the rate stabilization account in the General Fund was closed and the \$95,055 balance was transferred to the Capital Expenditure Fund for future capital needs.(See Table 4-10 and Graph 4-8.)

Table 4-10
EXETER TOWNSHIP
Adjusted Departmental Expenditures
 2008 - 2012

<u>Category</u>	2008	2009	2010	2011	2012	<u>Change 2008 - 2012</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>\$</u>	<u>%</u>
Without Employer Paid Benefits							
Gen. Gov't/ Admin./ Finance	\$ 911,604	\$1,081,849	\$ 860,264	\$ 779,321	\$ 763,133	-148,471	-16.3
Public Safety	3,864,245	4,017,095	3,864,656	3,861,585	3,802,901	-61,344	-1.6
Public Works	1,644,761	1,572,382	1,632,738	1,674,514	1,413,645	-231,115	-14.1
Culture & Recreation	606,868	618,434	457,380	499,502	477,227	-129,642	-21.4
Debt Service	406,436	461,288	289,687	422,674	429,940	23,504	5.8
Transfers	185,000	0	0	0	95,055	-89,945	-48.6
Total Expenditures	7,618,914	7,751,047	7,104,724	7,237,597	6,981,901	-637,013	-8.4

Not all figures may add due to rounding.

Graph 4-8
EXETER TOWNSHIP
Expenditures by Department without Employer Paid Benefits
 2008 - 2012



Police

Total personnel expenditures in the Police Department increased by \$79,904 or 2.9 percent from 2008 to 2012. Personnel expenditures were just under \$2.8 million in 2008, the lowest point during the review period, and peaked the following year at almost \$3 million, the last year that Exeter provided police coverage to St. Lawrence Borough. Expenditures dropped in 2010 and again in 2011, ending the period in 2012 up slightly at almost \$2.9 million. Salaries accounted for the largest increase, growing by \$127,235 or 5.1 percent. Costs for overtime and uniform expense declined over the review period by \$38,680 and \$10,338, respectively. Non personnel expenditures declined by \$22,219 or 4.5 percent, from \$495,328 in 2008 to \$473,110 in 2012, with costs peaking at \$545,065 in 2009. The largest absolute decline was in operating supplies, which fell \$66,586 or 62.8 percent, from \$106,062 in 2008 to \$39,477 in 2012. Contracted services also decreased, falling from \$24,011 in 2008 to \$8,770 in 2012, a difference of \$15,241 or 63.5 percent. Capital purchases and communications expenses rose, with capital purchases increasing by \$16,725 and communications expenses growing by \$13,385. All other non-personnel costs decreased by less than \$5,000 over the review period with the exception of grant expenses, which ended the period up by \$50,123. (See Table 4-11.)

Table 4-11
EXETER TOWNSHIP
Total Police Expenditures
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Salaries & Wages	\$2,472,415	\$2,656,984	\$2,496,221	\$2,486,485	\$2,599,649	127,235	5.1
Overtime	263,150	273,721	304,056	248,736	224,470	-38,680	-14.7
Training	24,054	22,881	29,074	25,665	25,741	1,687	7.0
Uniform Expense	<u>28,915</u>	<u>42,748</u>	<u>33,778</u>	<u>33,572</u>	<u>18,576</u>	<u>-10,338</u>	<u>-35.8</u>
Employee Expense	2,788,533	2,996,335	2,863,129	2,794,458	2,868,437	79,904	2.9
Communications Expense	108,906	122,863	111,162	112,954	122,292	13,385	12.3
Contracted Services	24,011	23,507	16,827	15,156	8,770	-15,241	-63.5
Operating Supplies	106,062	51,525	48,266	56,205	39,477	-66,586	-62.8
Other Services & Charges	20,052	26,792	19,410	14,680	14,166	-5,887	-29.4
Repairs & Maintenance	20,350	22,307	22,204	17,870	15,675	-4,674	-23.0
Supplies	3,033	4,013	3,171	2,463	1,664	-1,369	-45.1
Vehicle Fuel/Oil	92,536	55,107	65,175	82,089	87,577	-4,959	-5.4
Vehicle Maintenance	30,812	31,870	35,738	33,631	28,614	-2,198	-7.1
Grant Expense	0	102,029	76,044	19,178	50,123	50,123	na
Minor Equipment	3,166	5,211	4,437	4,119	1,629	-1,537	-48.6
Capital Purchase	86,400	99,841	118,967	117,334	103,124	16,725	19.4
Non Employee Expenses	495,328	545,065	521,401	475,679	473,110	-22,219	-4.5
Total Police Expenditures Without Allocated Employer Paid Benefits	3,283,862	3,541,399	3,384,530	3,270,137	3,341,547	57,685	1.8

Not all figures may add due to rounding.

Public Works

Personnel expenditures fluctuated over the review period, ranging from a low of \$788,190 in 2009 to a high of \$847,855 in 2011. The period began and ended with employee expenses at approximately \$830,000. The bulk of expenses in this category are salary and wages with a small amount allocated for uniform expenses. From 2008 to 2012, non-personnel expenditures dropped by almost one-third, falling by \$231,323 from \$813,814 to \$582,491. The largest absolute decreases were in contracted services, which declined by \$138,175 to \$258,016 in 2012, and in operating supplies, which fell by \$66,255 to \$96,353. The capital purchase category varied considerably, starting at \$10,500 in 2008, peaking at \$114,392 in 2010 and ending at \$24,055 in 2012. (See Table 4-12.)

Table 4-12
EXETER TOWNSHIP
Total Public Works Expenditures
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	Actual	Actual	Actual	Actual	Actual	\$	%
Salaries & Wages	\$825,531	\$782,949	\$816,714	\$843,134	\$827,649	2,118	0.3
Uniform Expense	5,416	5,241	4,180	4,721	3,506	-1,910	-35.3
Employee Expense	830,946	788,190	820,894	847,855	831,154	208	0.0
Contracted Services	396,191	382,192	379,158	356,485	258,016	-138,175	-34.9
Vehicle Fuel/Oil	-8,630	5,967	-68	9,439	5,005	13,635	-158.0
Vehicle Maintenance	143,242	86,853	110,433	132,886	127,226	-16,016	-11.2
Insurance & Bonding	0	0	0	0	0	0	na
Other Services & Charges	0	0	0	0	0	0	na
Repairs & Maintenance	40,945	38,335	61,473	50,352	38,323	-2,622	-6.4
Sanitation Service	0	0	0	0	0	0	na
Electricity	63,083	71,313	23,820	30,059	28,628	-34,455	-54.6
Operating Supplies	162,608	193,220	115,928	150,896	96,353	-66,255	-40.7
Tools & Minor Equipment	5,874	5,312	6,707	5,520	4,883	-991	-16.9
Equipment Rental	0	0	0	0	0	0	na
Minor Equipment	0	0	0	0	0	0	na
Capital Purchase	10,500	1,000	114,392	91,022	24,055	13,555	129.1
Non Employee Expenses	813,814	784,192	811,844	826,659	582,491	-231,323	-28.4
Total Public Works Expenditures Without Allocated Employer Paid Benefits	1,644,761	1,572,382	1,632,738	1,674,514	1,413,645	-231,115	-14.1

Recycling

Recycling expenditures declined over 40 percent from 2008 to 2012, with the largest drop between 2011 and 2012, when costs fell from \$389,940 to \$180,463. The most significant decrease was in contracted recycling services, which declined over \$100,000 from \$299,007 in 2011 to \$179,498 in 2012. Prior to 2012, contracted services costs were relatively stable. Fluctuations in overall recycling expenses before 2012 were mainly the result of capital purchases of \$113,390 in 2010 and \$90,954 in 2011. (See Table 4-13.)

Table 4-13
EXETER TOWNSHIP
Recycling Expenditures
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	Actual	Actual	Actual	Actual	Actual	\$	%
Operating Supplies	\$7,675	\$26,036	\$10,831	\$-20	\$-35	-7,710	-100.5
Contracted Services	312,873	301,668	299,007	299,007	179,498	-133,375	-42.6
Capital Purchases	0	0	113,390	90,954	1,000	1,000	0.0
Total Recycling Expenditures	320,548	327,704	423,227	389,940	180,463	-140,085	-43.7

General Government

Salaries and wages grew by \$45,650 or 22.9 percent from 2008 to 2012, representing the majority of personnel expenditure increases during the historical review period. Employee expenses rose from \$199,320 in 2008 to \$245,659 in 2012, an increase of \$46,340, mostly due to the creation of the Finance Manager position in late 2008. However, non-personnel expenses fell by a higher absolute amount, decreasing from \$712,285 in 2008 to \$517,474 in 2012. The largest drop — and the greatest fluctuation — were in professional services, which decreased by \$139,155. Expenditures in professional services started at \$318,585 in 2008, rose to \$496,331 in 2009, declined to \$283,743 in 2010, and then dropped again to \$192,954 in 2011 and again to \$179,430 in 2012. The decrease from 2008 to 2012 was \$139,155 or 43.7 percent. Insurance and bonding saw the other major decline, falling from \$198,616 in 2008 to \$156,087, a decrease of \$42,528. (See Table 4-14.)

Table 4-14
EXETER TOWNSHIP
Total General Government Expenditures
2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Salaries & Wages	\$199,034	\$229,535	\$240,520	\$248,387	\$244,684	45,650	22.9
Training	286	1,243	1,670	1,145	975	689	241.0
Employee Expense	199,320	230,778	242,190	249,532	245,659	46,340	23.2
Communications Expense	19,828	10,096	17,529	8,372	8,945	-10,883	-54.9
Advertising	7,803	10,275	8,941	7,058	6,611	-1,192	-15.3
Dues, Subs. & Memberships	3,404	3,947	3,935	3,979	5,398	1,994	58.6
Office Supplies	8,690	11,384	8,958	8,491	5,562	-3,128	-36.0
Contracted Services	1,598	1,938	2,402	1,216	1,872	274	17.1
Professional Services	318,585	496,331	283,743	192,954	179,430	-139,155	-43.7
Taxes	469	2,893	1,539	367	0	-469	-100.0
Tax Collection	13,528	16,286	21,125	18,005	20,189	6,661	49.2
Insurance & Bonding	198,616	175,185	148,389	149,398	156,087	-42,528	-21.4
Other Services & Charges	31,495	28,199	35,455	27,873	35,697	4,202	13.3
Repairs & Maintenance	23,190	21,160	11,666	46,708	37,918	14,728	63.5
Sanitation Service	11,777	11,548	11,237	5,134	7,149	-4,628	-39.3
Utilities	32,091	30,625	34,664	44,820	38,434	6,344	19.8
Supplies	4,976	4,176	3,298	3,473	1,960	-3,016	-60.6
Refund of Prior Revenues	11,647	2,613	8,948	1,262	11,044	-603	-5.2
Equipment Rental	262	390	390	390	504	242	92.4
Minor Equipment	4,423	0	0	0	0	-4,423	-100.0
Capital Purchase	19,903	24,027	15,855	10,286	675	-19,228	-96.6
Non Employee Expenses	712,285	851,071	618,074	529,789	517,474	-194,810	-27.4
Total General Government Expenditures Without Allocated Employer Paid Benefits	911,604	1,081,849	860,264	779,321	763,133	-148,471	-16.3

Not all figures may add due to rounding.

CHAPTER 5
2013 ACTUAL REVENUES AND EXPENDITURES
COMPARED TO
BUDGETED REVENUES AND EXPENDITURES

Introduction

Exeter Township was able to lower a projected general fund budget deficit in 2013 after receiving higher than expected revenue from earned income taxes. The Township also received more revenue from real estate transfer taxes as the result of two unanticipated large property transfers. In addition, a real estate tax increase in 2013 generated approximately \$250,000 in new revenue over 2012.

Total General Fund Revenues and Expenditures

Exeter Township's 2013 budget assumed a \$191,864 deficit for 2013; however, the Township instead ended the year with a \$50,808 deficit. Revenues were \$257,009 or 2.8 percent higher than budgeted at almost \$9.5 million. Actual expenditures were also higher at \$9.5 million. (See Table 5-1.)

Table 5-1
EXETER TOWNSHIP
General Fund Revenues
Actual 2013 versus Budgeted 2013

	2013	2013	<u>Estimate vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Revenue	\$9,460,765	\$9,203,756	257,009	2.8
Expenditures	9,511,573	9,395,620	115,953	1.2
Surplus/(Deficit)	-50,808	-191,864	141,056	

Actual Revenues

Taxes, which were \$264,719 in excess of budgeted amounts, represent the greatest increase in actual revenues compared to budgeted revenues. Tax revenue was just under \$6.9 million compared to the budgeted figure of \$6.6 million. Non-tax revenue was lower than the budgeted amount at \$2.4 million versus almost \$2.5 million. Refunds of prior years expenses, although not as significant a source of revenue, are considerably higher at \$205,045 actual compared to \$125,000 budgeted, an increase of \$80,045. As noted in Chapter 4, this category stems from refunds of health insurance payments related to Township employee usage. (See Table 5-2.)

Table 5-2
 EXETER TOWNSHIP
Total Revenue
 Actual 2013 versus Budgeted 2013

	2013	2013	<u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Tax Revenue	\$6,855,200	\$6,590,481	264,719	4.0
Non-Tax Revenue	2,400,521	2,488,275	-87,754	-3.5
Refunds - Pr Yr Expenses	<u>205,045</u>	<u>125,000</u>	<u>80,045</u>	<u>64.0</u>
Total Revenue	9,460,765	9,203,756	257,009	2.8
Tax Revenue	72.5	71.6		
Non-Tax Revenue	25.4	27.0		
Refunds - Pr Yr Expenses	<u>2.2</u>	<u>1.4</u>		
Total Revenue	100.0	100.0		

Taxes

As stated previously, the Township increased general purpose real estate millage in 2013 from 1.6400 to 1.8150. Real estate taxes were collected near budgeted amounts at \$2.4 million. Earned income taxes (EIT) and real estate transfer taxes both were higher than budgeted. EIT, the Township’s most significant source of revenue, was \$3.2 million compared to \$3 million budgeted, a difference of \$186,515. Real estate transfer tax, budgeted at \$240,000, was \$163,938 higher at \$403,938. Business privilege actual revenue dropped slightly at \$432,241 actual compared to \$475,000 budgeted, a difference of \$42,759. Local services and per capita actual taxes were close to budgeted amounts at \$314,403 actual versus \$311,000 budgeted and \$64,934 actual versus \$72,090 budgeted, respectively. (See Table 5-3.)

Table 5-3
 EXETER TOWNSHIP
Total Tax Revenue
 Actual 2013 versus Budgeted 2013

Tax Revenue	2013	2013	Actual vs. Budget	
	Actual	Budget	\$	%
Real Estate Taxes	\$2,393,284	\$2,432,391	-39,107	-1.6
Per Capita	64,934	72,090	-7,156	-9.9
Real Estate Transfer Tax	403,938	240,000	163,938	68.3
Earned Income Tax	3,241,515	3,055,000	186,515	6.1
Local Service Tax	314,403	311,000	3,403	1.1
Business Privilege Tax	432,241	475,000	-42,759	-9.0
Penalties/Interest Taxes	4,884	5,000	-116	-2.3
Total Taxes	6,855,200	6,590,481	264,719	100.0

Real Estate Taxes	34.9	36.9
Per Capita	0.9	1.1
Real Estate Transfer Tax	5.9	3.6
Earned Income Tax	47.3	46.4
Local Service Tax	4.6	4.7
Business Privilege Tax	6.3	7.2
Penalties/Interest Taxes	0.1	0.1
Total Taxes	100.0	100.0

Non-Tax Revenue

The most significant decreases in actual compared to budgeted non-tax revenue are protective inspection and UCC fees (\$85,968), sanitation fees (\$62,797), intergovernmental revenue (\$34,692) and culture and recreation fees (\$33,022). The most significant increases in actual versus budgeted non-tax revenue are miscellaneous revenue (\$95,823) and licenses and permits (\$31,757). Other variances are approximately \$10,000 or less. On a proportional basis, collected zoning fees are 65.0 percent less than budgeted and plan review fees are 30.8 percent less than budgeted. The monetary amounts are decreases of \$9,750 and \$3,697, respectively. (See Table 5-4.)

Table 5-4
 EXETER TOWNSHIP
Non-Tax Revenue
 2013 Actual versus 2013 Budgeted

Non-Tax Revenue	2013	2013	Actual vs. Budget	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Licenses & Permits	\$390,107	\$358,350	31,757	8.9
Fines & Forfeits	124,535	127,640	-3,105	-2.4
Interest	13,191	18,000	-4,809	-26.7
Rental Income	23,514	23,484	30	0.1
Intergovernmental Revenue	673,033	707,725	-34,692	-4.9
Public Utility Realty Tax	9,841	11,000	-1,159	-10.5
Departmental Earnings	1,000	0	1,000	0.0
Zoning Fees	5,250	15,000	-9,750	-65.0
Plan Review Fees	8,303	12,000	-3,697	-30.8
Public Safety Fees	19,072	13,750	5,322	38.7
Protective Inspection and UCC Fees	184,633	270,601	-85,968	-31.8
Highway & Street Fees	21,101	9,700	11,401	117.5
Sanitation Fees	687,203	750,000	-62,797	-8.4
Culture & Recreation Fees	125,003	158,025	-33,022	-20.9
User Fees	1,258	0	1,258	0.0
Miscellaneous Revenue	108,823	13,000	95,823	737.1
Sale of Assets - General	4,655	0	4,655	0.0
Total Non-Tax Revenue	2,400,521	2,488,275	-87,754	-3.5

	<u>% of Total Non-Tax Revenue</u>	
Licenses & Permits	16.3	14.4
Fines & Forfeits	5.2	5.1
Interest	0.5	0.7
Rental Income	1.0	0.9
Intergovernmental Revenue	28.0	28.4
Public Utility Realty Tax	0.4	0.4
Departmental Earnings	—	—
Zoning Fees	0.2	0.6
Plan Review Fees	0.3	0.5
Public Safety Fees	0.8	0.6
Protective Inspection and UCC Fees	7.7	10.9
Highway & Street Fees	0.9	0.4
Sanitation Fees	28.6	30.1
Culture & Recreation Fees	5.2	6.4
User Fees	0.1	0.0
Miscellaneous Revenue	4.5	0.5
Sale of Assets - General	0.2	0.0
Total Non-Tax Revenue	100.0	100.0

Actual Expenditures

Personnel versus Non-Personnel Expenditures

Actual personnel and non-personnel expenditures are slightly higher than budgeted amounts. Actual personnel expenditures are almost \$6.8 million compared to just over \$6.7 million, an increase of \$44,499. Non-personnel expenses are almost \$2.4 million actual compared to \$2.3 million budgeted, an increase of \$73,549 or 3.2 percent. (See Table 5-5.)

Table 5-5
 EXETER TOWNSHIP
Personnel, Non-Personnel, and Other Uses
 Actual 2013 versus Budgeted 2013

	2013	2013	<u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Personnel	\$6,764,923	\$6,720,424	44,499	0.7
Non Personnel	2,370,485	2,296,936	73,549	3.2
Other Uses	<u>376,166</u>	<u>378,260</u>	<u>-2,094</u>	<u>-0.6</u>
Total Expenditures	9,511,573	9,395,620	115,953	1.2
	<u>Percentage of Total</u>			
Personnel	71.1	71.5		
Non Personnel	24.9	24.4		
Other Uses	<u>4.0</u>	<u>4.0</u>		
Total Expenditures	100.0	100.0		

Personnel

The largest variance between actual and budgeted figures in employee expenses occurs in workers' compensation and is the result of 2013 unanticipated claim payouts. Actual expenditures are \$387,890 compared to \$153,694 budgeted, an increase of \$234,196. However, the Township is reimbursed for a portion of the workers' compensation payments. Significant decreases of actual versus budgeted figures are overtime (\$74,178), salaries and wages (\$64,833) and medical (\$47,224). (See Table 5-6.)

Table 5-6
 EXETER TOWNSHIP
Personnel Expenditures
 Actual 2013 versus Budgeted 2013

	2013	2013	<u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Salaries & Wages	\$4,118,141	\$4,182,974	-64,833	-1.5
Overtime	170,822	245,000	-74,178	-30.3
Medical	1,232,420	1,279,644	-47,224	-3.7
Life Insurance	8,733	8,974	-241	-2.7
LT Disability	4,378	4,389	-11	-0.2
FICA/Medicare	160,712	162,964	-2,252	-1.4
Unemployment Comp	30,175	30,104	71	0.2
Pension	593,263	591,481	1,782	0.3
Workers' Comp	387,890	153,694	234,196	152.4
Uniform Expense	23,736	27,900	-4,165	-14.9
Training	<u>34,653</u>	<u>33,300</u>	<u>1,353</u>	<u>4.1</u>
Total Personnel Expenditures	6,764,923	6,720,424	44,499	0.7

Percentage of Total Personnel Expenditures

	2013	2013
Salaries & Wages	60.9	62.2
Overtime	2.5	3.6
Medical	18.2	19.0
Life Insurance	0.1	0.1
LT Disability	0.1	0.1
FICA/Medicare	2.4	2.4
Unemployment Comp	0.4	0.4
Pension	8.8	8.8
Workers' Comp	5.7	2.3
Uniform Expense	0.4	0.4
Training	<u>0.5</u>	<u>0.5</u>
Percentage of Total Personnel Expenditures	100.0	100.0

Non-Personnel

In terms of absolute differences, the largest increases in actual compared to budgeted non-personnel costs are capital purchases (\$64,181), grant expenses (\$48,485), vehicle maintenance (\$18,068), vehicle fuel oil (\$13,164), and foreign fire insurance (\$12,453), which is a net revenue and expenditure item. Decreases occur in professional services (\$54,150) and communications expense (\$15,376). (See Table 5-7.)

Table 5-7
 EXETER TOWNSHIP
Non-Personnel Expenditures
 Actual 2013 versus Budgeted 2013

	2013	2013	<u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Supplies	\$134,332	\$142,720	-8,388	-5.9
Office Supplies	21,667	19,881	1,786	9.0
Operating Supplies	65,655	63,650	2,005	3.1
Vehicle Maintenance	171,568	153,500	18,068	11.8
Tools & Minor Equipment	5,004	5,000	4	0.1
Other Services & Charges	95,200	105,045	-9,845	-9.4
Professional Services	195,244	249,394	-54,150	-21.7
Tax Collection	18,666	19,907	-1,241	-6.2
Communications Expense	187,821	203,197	-15,376	-7.6
Advertising	28,286	32,500	-4,214	-13.0
Insurance & Bonding	166,836	160,645	6,191	3.9
Utilities	62,710	71,401	-8,690	-12.2
Electricity	25,141	24,000	1,141	4.8
Vehicle Fuel/Oil	91,164	78,000	13,164	16.9
Repairs & Maintenance	115,751	108,210	7,541	7.0
Equipment Rental	282	300	-18	-6.0
Dues, Subscriptions & Memberships	6,332	5,700	632	11.1
Sanitation Service	7,544	7,000	544	7.8
Contracted Services	366,304	365,100	1,204	0.3
Contributions, Grants & Subsidies	112,336	113,478	-1,142	-1.0
Capital Purchase	186,689	122,508	64,181	52.4
Grant Expense	118,485	70,000	48,485	69.3
Minor Equipment	5,015	5,800	-785	-13.5
Foreign Fire Insurance	182,453	170,000	12,453	7.3
Total Non Employee Expenditures	2,370,485	2,296,936	73,549	3.2

	<u>% of Total Non-Employee</u>	
Supplies	5.7	6.2
Office Supplies	0.9	0.9
Operating Supplies	2.8	2.8
Vehicle Maintenance	7.2	6.7
Tools & Minor Equipment	0.2	0.2
Other Services & Charges	4.0	4.6
Professional Services	8.2	10.9
Tax Collection	0.8	0.9
Communications Expense	7.9	8.8
Advertising	1.2	1.4
Insurance & Bonding	7.0	7.0
Utilities	2.6	3.1
Electricity	1.1	1.0
Vehicle Fuel/Oil	3.8	3.4
Repairs & Maintenance	4.9	4.7
Equipment Rental	0.0	0.0
Dues, Subscriptions & Memberships	0.3	0.2
Sanitation Service	0.3	0.3
Contracted Services	15.5	15.9
Contributions, Grants & Subsidies	4.7	4.9
Capital Purchase	7.9	5.3
Grant Expense	5.0	3.0
Minor Equipment	0.2	0.3
Foreign Fire Insurance	7.7	7.4
Total Nonemployee	100.0	100.0

Departmental Expenditures

Overall, actual departmental spending varied from budgeted spending by less than two percent or \$115,953. The largest difference was in general government, where actual costs were \$186,482 over budgeted amounts, primarily because of the unanticipated payouts related to workers’ compensation claims that were discussed earlier. Public works was also slightly higher at \$24,525 over the budgeted figure. Public safety expenditures experienced the most significant drop of the departments, with actual costs falling by \$80,474 compared to budgeted figures. (See Table 5-8.)

Table 5-8
 EXETER TOWNSHIP
Departmental Expenditures
 Actual 2013 versus Budgeted 2013

	2013	2013	Actual vs. Budget	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
General Government/Administration/Finance	\$1,158,041	\$971,559	186,482	19.2
Public Safety	5,470,193	5,550,667	-80,474	-1.4
Public Works	1,950,773	1,926,248	24,525	1.3
Culture & Recreation	562,093	568,886	-6,792	-1.2
Debt Service	370,473	378,260	-7,787	-2.1
Total Expenditures	9,511,573	9,395,620	115,953	1.2
General Government/Administration/Finance	12.2	10.3		
Public Safety	57.5	59.1		
Public Works	20.5	20.5		
Culture & Recreation	5.9	6.1		
Debt Service	3.9	4.0		
Total Expenditures	100.0	100.0		

CHAPTER 6
GENERAL FUND FISCAL PROJECTIONS
2014 - 2018

Introduction

Pennsylvania Economy League projections indicate that stagnant revenues combined with growing personnel costs — primarily in salary and health insurance expenditures — will result in increasing General Fund operating budget deficits for the Township of Exeter from 2014 through 2018.

Methodology

PEL prepared its general fund operating projections using the 2014 budget, the historical revenue and expenditure patterns outlined in Chapter 4, the current collective bargaining agreements, actuarial pension data, amortization tables and similar information.

Revenue Projection Assumptions

- The Township's 2014 budget was used as the base for projections.
- Rates for the Township's real estate tax, earned income tax, real estate transfer tax and all other taxes and fees remain at the adopted 2014 level.
- No growth was assumed in assessed valuation. As a result, the assumed rate of annual growth for real estate taxes was zero.
- The projected rate of annual growth for earned income taxes (EIT) was 1.0 percent.
 - EIT increased 13.8 percent from 2007-2011
- The local services tax was increased by \$1,050 annually.
 - 25 jobs per year @ \$42
- All other taxes assumed an annual growth of 1.25 percent annual growth.
- Other revenues and transfers from other funds were held at budgeted levels or 2008-2012 average revenue

Expenditure Projection Assumptions

- Employee counts were assumed to remain at 2014 budgeted levels.
- Public works, non-bargaining and management salary increases were calculated at 1.0 percent in 2014, 1.5 percent in 2016-2017, and 2.0 percent in 2018.
- Police increases were estimated at contractual amounts through 2016 and at 2.7 percent for 2017 and 2018.
- Health insurance was increased at the following rates:
 - 2015 -- 6.0 percent
 - 2016 -- 6.2 percent
 - 2017 -- 6.2 percent
 - 2018 -- 5.9 percent
- The projections include no new debt.
- Other items were adjusted using the Producer Price Index for finished goods

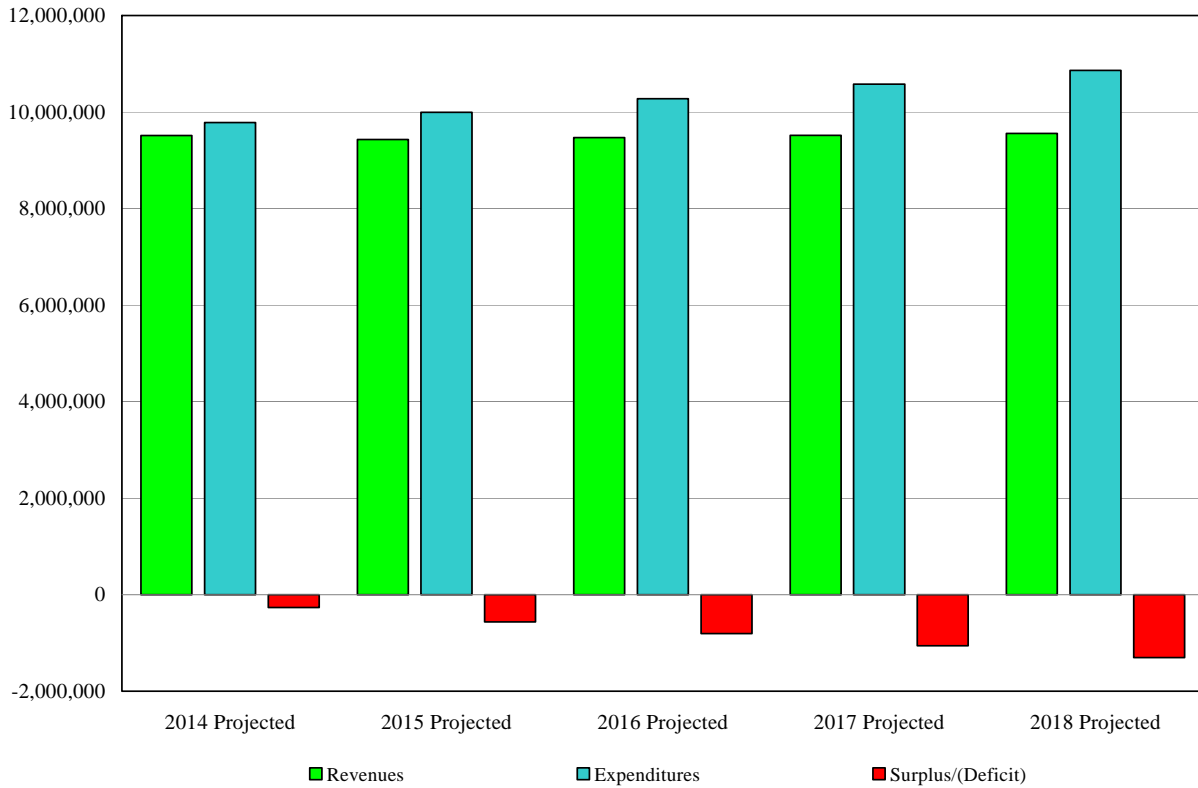
Total General Fund Revenues and Expenditures

PEL anticipates that total revenues will fluctuate somewhat but begin and end the projection period at just under \$9.4 million. The difference between 2014 and 2018 projected revenues is an increase of \$38,816 or 0.4 percent. Total expenditures are projected to increase by almost \$1.2 million or 11.8 percent, growing from approximately \$9.8 million in 2014 to \$10.9 million in 2018. The 2014 estimated deficit of \$426,056 increases to a projected deficit of \$1.5 million in 2018. The cumulative deficit from 2014 through 2018 is projected at \$5.0 million. (See Table 6-1 and Graph 6-1.)

Table 6-1
EXETER TOWNSHIP
General Fund Revenues
2014 through 2018

	2014	2015	2016	2017	2018	<u>Change 2014 - 2018</u>	
	<u>Estimated</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
Revenue	\$9,355,020	\$9,270,748	\$9,309,333	\$9,354,361	\$9,393,836	38,816	0.4
Expenditures	<u>9,781,076</u>	<u>10,022,720</u>	<u>10,332,368</u>	<u>10,640,164</u>	<u>10,931,597</u>	<u>1,150,520</u>	11.8
Surplus/(Deficit)	-426,056	-751,973	-1,023,035	-1,285,804	-1,537,761	-1,111,704	—
Cumulative Deficit	-476,865	-1,228,837	-2,251,872	-3,537,676	-5,075,437		

Graph 6-1
 EXETER TOWNSHIP
Projected Expenditures and Revenues
 2014 - 2018



Revenue Projections

Exeter is anticipated to receive a growing percentage of its total revenues from taxes, starting at 71.1 percent in 2014 and rising to 73.1 percent by 2018. Non-tax revenue declines accordingly, falling from 27.7 percent in 2014 to 26.3 percent in 2018. The projections assume that less than one percent of revenues will be received from refunds of prior years' expenses (health insurance refunds). Total tax revenue is expected to grow slightly over the five-year projection period, \$6.7 million in 2014 to approximately \$6.9 million in 2018. The change from 2014 to 2018 is an increase of \$159,967 or 2.4 percent. Non-tax revenue is anticipated to drop from \$2.6 million in 2014 to \$2.5 million in 2018, a decrease of \$121,151 or 4.7 percent. The refund from prior years' taxes category remains constant at \$50,000 annually. (See Table 6-2.)

Table 6-2
EXETER TOWNSHIP
Total Revenue
2014 - 2018

Revenue Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
Tax Revenue	\$6,710,568	\$6,749,072	\$6,789,156	\$6,829,642	\$6,870,536	159,967	2.4
Non-Tax Revenue	2,592,202	2,469,425	2,467,927	2,472,468	2,471,050	-121,151	-4.7
Transfers	2,250	2,250	2,250	2,250	2,250	0	0.0
Bond Proceeds	0	0	0	0	0	0	0.0
Refunds - Pr Yr Expenses	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0.0</u>
Total Revenue	\$9,355,020	\$9,270,748	\$9,309,333	\$9,354,361	\$9,393,836	\$38,816	0.4

Revenue Category	Percentage of Total Revenue				
Tax Revenue	71.7	72.8	72.9	73.0	73.1
Non-Tax Revenue	27.7	26.6	26.5	26.4	26.3
Transfers	0.0	0.0	0.0	0.0	0.0
Bond Proceeds	0.0	0.0	0.0	0.0	0.0
Refunds - Pr Yr Expenses	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Revenue	100.0	100.0	100.0	100.0	100.0

Taxes

Real estate tax revenue is expected to remain flat at \$2.4 million throughout the projection period and continue as the Township’s second largest source of revenue, accounting for approximately 35 percent of total taxes. As noted in Chapter 4, the Township’s estimated market value as calculated by the State Tax Equalization Board (STEB) currently exceeds Berks County’s assessed value for the Township. As a result, the Township is not anticipated to capture market growth through an increase in the real estate assessment base other than through new development unless there is a countywide reassessment.

The earned income tax is anticipated to experience the largest absolute growth of Exeter’s revenue sources, increasing by \$131,232 or 4.1 percent from \$3.2 million in 2014 to almost \$3.4 million in 2018. Earned income taxes account for almost half of total taxes and are the Township’s largest revenue source. Business privilege taxes are projected to grow by 5.1 percent. Accounting for less than seven percent of total taxes, business privilege taxes are anticipated to increase from \$435,188 in 2014 to \$457,358 in 2018. Local services taxes are expected to rise only slightly from \$316,200 in 2014 to \$323,945 in 2018. Projections call for real estate transfer taxes to remain constant at \$250,000 due to the lack of anticipated new development as the Township becomes built out. This is significant in that the Township historically had received a much larger amount of real estate transfer tax revenue as residential development boomed. (See Table 6-3.)

Table 6-3
 EXETER TOWNSHIP
Total Tax Revenue
 2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
Real Estate Taxes	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	0	0.0
Per Capita	72,181	71,000	71,000	71,000	71,000	-1,181	-1.6
Real Estate Transfer Tax	250,000	250,000	250,000	250,000	250,000	0	0.0
Earned Income Tax	3,232,000	3,264,320	3,296,963	3,329,933	3,363,232	131,232	4.1
Local Service Tax	316,200	318,125	320,058	321,998	323,945	7,745	2.4
Business Privilege Tax	435,188	440,627	446,135	451,712	457,358	22,171	5.1
Penalties/Interest Taxes	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0.0</u>
Total Taxes	\$6,710,568	\$6,749,072	\$6,789,156	\$6,829,642	\$6,870,536	\$159,967	2.4

Category	<u>Percentage of Total Tax Revenue</u>				
Real Estate Taxes	35.8	35.6	35.4	35.1	34.9
Per Capita	1.1	1.1	1.0	1.0	1.0
Real Estate Transfer Tax	3.7	3.7	3.7	3.7	3.6
Earned Income Tax	48.2	48.4	48.6	48.8	49.0
Local Service Tax	4.7	4.7	4.7	4.7	4.7
Business Privilege Tax	6.5	6.5	6.6	6.6	6.7
Penalties/Interest Taxes	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total Taxes	100.0	100.0	100.0	100.0	100.0

Non-Tax Revenue

Non-tax revenues are project to decrease from \$2.6 million in 2014 to \$2.5 million in 2018, a drop of \$121,151 or 4.7 percent. The largest sources of non-tax revenue are intergovernmental revenues, sanitation fees, and licenses and permits. Intergovernmental revenues are projected to fall from \$881,740 in 2014 to \$754,500 in 2015 and then remain constant. The change from 2014 to 2018 is a decline of \$127,240. Sanitation fees stay the same at \$747,000 throughout the projection period. Licenses and permits also are constant at \$388,400. All other categories are less than 10 percent of total non-tax revenue. (See Table 6-4.)

Table 6-4
EXETER TOWNSHIP
Non Tax Revenue
2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	Projected	Projected	Projected	Projected	Projected	\$	%
Licenses & Permits	\$388,400	\$388,400	\$388,400	\$388,400	\$388,400	0	0.0
Fines & Forfeits	131,659	131,679	131,699	131,720	131,742	83	0.1
Interest	18,000	18,000	18,000	18,000	18,000	0	0.0
Rental Income	24,188	24,914	25,661	26,431	27,224	3,036	12.6
Intergovernmental Revenue	881,740	754,500	754,500	754,500	754,500	-127,240	-14.4
Public Utility Realty Tax	10,000	10,000	10,000	10,000	10,000	0	0.0
Zoning Fees	9,000	9,000	9,000	9,000	9,000	0	0.0
Plan Review Fees	10,000	10,000	10,000	10,000	10,000	0	0.0
Public Safety Fees	13,900	13,900	13,900	13,900	13,900	0	0.0
Protect. Inspect. & UCC Fees	197,190	197,190	197,190	197,190	197,190	0	0.0
Highway & Street Fees	6,559	6,726	6,898	7,074	7,257	698	10.6
Sanitation Fees	747,000	747,000	747,000	747,000	747,000	0	0.0
Culture & Recreation Fees	141,566	145,117	142,679	146,253	143,838	2,272	1.6
Miscellaneous Revenue	13,000	13,000	13,000	13,000	13,000	0	0.0
Total Nontax Revenue	\$2,592,052	\$2,469,275	\$2,467,777	\$2,472,318	\$2,470,900	-\$121,151	-4.7

Category	Percentage of Total Non Tax Revenue				
Licenses & Permits	15.0	15.7	15.7	15.7	15.7
Fines & Forfeits	5.1	5.3	5.3	5.3	5.3
Interest	0.7	0.7	0.7	0.7	0.7
Rental Income	0.9	1.0	1.0	1.1	1.1
Intergovernmental Revenue	34.0	30.6	30.6	30.5	30.5
Public Utility Realty Tax	0.4	0.4	0.4	0.4	0.4
Zoning Fees	0.3	0.4	0.4	0.4	0.4
Plan Review Fees	0.4	0.4	0.4	0.4	0.4
Public Safety Fees	0.5	0.6	0.6	0.6	0.6
Protect. Inspect. & UCC Fees	7.6	8.0	8.0	8.0	8.0
Highway & Street Fees	0.3	0.3	0.3	0.3	0.3
Sanitation Fees	28.8	30.3	30.3	30.2	30.2
Culture & Recreation Fees	5.5	5.9	5.8	5.9	5.8
Miscellaneous Revenue	0.5	0.5	0.5	0.5	0.5
Total Nontax Revenue	100.0	100.0	100.0	100.0	100.0

Expenditure Projections

Personnel versus Non-personnel Expenditures

Personnel expenditures are expected to grow by \$968,178 or 13.9 percent over the projection period, while non-personnel costs are anticipated to increase by \$182,342 or 7.5 percent. Employee expenses are likely to increase from just under \$7.0 million in 2014 to \$7.9 million in 2018. Non-employee costs grow from \$2.4 million in 2014 to \$2.6 million in 2018. Spending for other uses is expected to stay at \$394,685 annually. Continuing a trend seen in the historical review, personnel costs expand as a percentage of total expenditures, increasing from 71.2 percent in 2014 to 72.5 percent in 2018. The percentage of non-personnel expenses shrinks accordingly. (See Table 6-5 and Graph 6-2.)

Table 6-5
 EXETER TOWNSHIP
Personnel, Non-Personnel, and Other Uses
 2014 - 2018

<u>Category</u>	2014	2015	2016	2017	2018	<u>Change 2014 - 2018</u>	
	<u>Estimated</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>\$</u>	<u>%</u>
Personnel	\$6,961,531	\$7,193,999	\$7,444,303	\$7,683,132	\$7,929,710	968,178	13.9
Non-Personnel	2,424,860	2,434,036	2,493,380	2,562,347	2,607,202	182,342	7.5
Other Uses	394,685	394,685	394,685	394,685	394,685	0	0.0
Total Expenditures	9,781,076	10,022,720	10,332,368	10,640,164	10,931,597	1,150,520	11.8
<u>Percentage of Total</u>							
Personnel	71.2	71.8	72.0	72.2	72.5		
Non-Personnel	24.8	24.3	24.1	24.1	23.9		
Other Uses	4.0	3.9	3.8	3.7	3.6		
Total Expenditures	100.0	100.0	100.0	100.0	100.0		

Personnel

Salary and medical are expected to experience the largest absolute increases in the personnel expenditures category. Salary is projected to rise by \$449,253 or 10.4 percent from \$4.3 million in 2014 to almost \$4.8 million in 2018. Employee health insurance is anticipated to grow by 26.6 percent or \$349,332 from \$1.3 million in 2014 to almost \$1.7 million in 2018. Pension costs, which are based on growth in salary, are expected to rise from \$631,915 in 2014 to \$735,748 in 2018, an increase of \$103,833 or 16.4 percent. Salary represents approximately 61 percent of personnel expenses through the period, with medical at approximately 20 percent of personnel costs. All other categories are less than 10 percent of employee expenditures. (See Table 6-6.)

Table 6-6
EXETER TOWNSHIP
Total Personnel Expenditures
2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	<u>Estimated</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
Salaries & Wages	\$4,323,982	\$4,437,134	\$4,558,779	\$4,663,485	\$4,773,235	449,253	10.4
Overtime	174,250	180,262	186,481	191,516	196,687	22,437	12.9
Medical	1,313,030	1,391,812	1,478,105	1,569,747	1,662,362	349,332	26.6
Life Insurance	8,287	8,379	8,480	8,593	8,713	426	5.1
LT Disability	4,583	4,634	4,690	4,753	4,819	236	5.1
FICA/Medicare	163,224	165,949	168,750	171,201	173,676	10,453	6.4
Unemployment Comp	34,959	35,721	36,505	37,312	38,144	3,184	9.1
Pension	631,915	656,092	681,428	707,969	735,748	103,833	16.4
Workers' Comp	222,201	227,475	232,922	238,549	244,365	22,164	10.0
Uniform Expense	51,900	52,779	53,768	54,893	56,085	4,185	8.1
Training	<u>33,200</u>	<u>33,762</u>	<u>34,395</u>	<u>35,115</u>	<u>35,877</u>	<u>2,677</u>	<u>8.1</u>
Total Employee	6,961,531	7,193,999	7,444,303	7,683,132	7,929,710	968,178	13.9

Category	Percentage of Personnel Expenditures				
Salaries & Wages	62.1	61.7	61.2	60.7	60.2
Overtime	2.5	2.5	2.5	2.5	2.5
Medical	18.9	19.3	19.9	20.4	21.0
Life Insurance	0.1	0.1	0.1	0.1	0.1
LT Disability	0.1	0.1	0.1	0.1	0.1
FICA/Medicare	2.3	2.3	2.3	2.2	2.2
Unemployment Comp	0.5	0.5	0.5	0.5	0.5
Pension	9.1	9.1	9.2	9.2	9.3
Workers' Comp	3.2	3.2	3.1	3.1	3.1
Uniform Expense	0.7	0.7	0.7	0.7	0.7
Training	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Employee	100.0	100.0	100.0	100.0	100.0

Non-Personnel

Communications expenses are expected to grow the most during the projection period, increasing by \$89,284 or 39.4 percent from \$226,894 in 2014 to \$316,178 in 2018. The rise is largely due to 18 percent annual increases through 2018 as Berks County shifts the cost of 911 services to municipalities, according to Township officials. Other categories projected to increase more than \$10,000 over the five-year period are contracted services (\$28,389), vehicle fuel/oil (\$26,822), capital purchases (\$15,726), and supplies (\$11,500). With the exception of professional services, which decrease by \$38,391 from \$220,056 in 2014 to \$181,665 in 2018, there are no noteworthy declines in non-employee costs. (See Table 6-7.)

Table 6-7
EXETER TOWNSHIP
Non-Personnel Expenditures
 2014 - 2018

Category	2014	2014	2015	2016	2018	Change 2014 - 2018	
	Estimated	Projected	Projected	Projected	Projected	\$	%
Supplies	\$142,629	\$145,044	\$147,763	\$150,854	\$154,128	11,500	8.1
Office Supplies	21,800	22,169	22,585	23,057	23,558	1,758	8.1
Operating Supplies	62,900	63,965	65,164	66,527	67,971	5,071	8.1
Vehicle Maintenance	157,500	159,238	161,183	163,380	165,691	8,191	5.2
Tools & Minor Equipment	5,000	5,000	5,000	5,000	5,000	0	0.0
Other Services & Charges	111,730	113,402	115,285	117,424	119,691	7,960	7.1
Professional Services	220,056	179,698	180,296	180,967	181,665	-38,391	-17.4
Tax Collection	18,750	19,070	19,430	19,839	20,273	1,523	8.1
Communications Expense	226,894	249,025	276,928	309,865	316,178	89,284	39.4
Advertising	32,500	32,424	32,343	32,253	32,160	-340	-1.0
Insurance & Bonding	165,379	167,231	169,238	171,504	173,886	8,507	5.1
Utilities	64,000	65,084	66,304	67,691	69,160	5,160	8.1
Electricity	24,900	24,888	24,876	24,862	24,848	-52	-0.2
Vehicle Fuel/Oil	85,000	90,355	96,454	103,717	111,822	26,822	31.6
Repairs & Maintenance	119,695	121,722	124,004	126,598	129,346	9,651	8.1
Equipment Rental	300	305	311	317	324	24	8.1
Dues, Subs. & Memberships	5,800	5,898	6,009	6,134	6,268	468	8.1
Sanitation Service	7,500	7,711	7,950	8,226	8,522	1,022	13.6
Contracted Services	370,100	376,062	382,776	390,405	398,489	28,389	7.7
Contrib., Grants & Subsidies	122,478	122,478	122,478	122,478	122,478	0	0.0
Capital Purchase	195,049	198,352	202,071	206,297	210,775	15,726	8.1
Grant Expense	80,000	80,000	80,000	80,000	80,000	0	0.0
Minor Equipment	4,900	4,915	4,931	4,949	4,969	69	1.4
Foreign Fire Insurance	180,000	180,000	180,000	180,000	180,000	0	0.0
Total Nonemployee	2,424,860	2,434,036	2,493,380	2,562,347	2,607,202	182,342	7.5

Category	Percentage of Non-Personnel Operating Expenditures				
Supplies	5.9	6.0	5.9	5.9	5.9
Office Supplies	0.9	0.9	0.9	0.9	0.9
Operating Supplies	2.6	2.6	2.6	2.6	2.6
Vehicle Maintenance	6.5	6.5	6.5	6.4	6.4
Tools & Minor Equipment	0.2	0.2	0.2	0.2	0.2
Other Services & Charges	4.6	4.7	4.6	4.6	4.6
Professional Services	9.1	7.4	7.2	7.1	7.0
Tax Collection	0.8	0.8	0.8	0.8	0.8
Communications Expense	9.4	10.2	11.1	12.1	12.1
Advertising	1.3	1.3	1.3	1.3	1.2
Insurance & Bonding	6.8	6.9	6.8	6.7	6.7
Utilities	2.6	2.7	2.7	2.6	2.7
Electricity	1.0	1.0	1.0	1.0	1.0
Vehicle Fuel/Oil	3.5	3.7	3.9	4.0	4.3
Repairs & Maintenance	4.9	5.0	5.0	4.9	5.0
Equipment Rental	0.0	0.0	0.0	0.0	0.0
Dues, Subs & Memberships	0.2	0.2	0.2	0.2	0.2
Sanitation Service	0.3	0.3	0.3	0.3	0.3
Contracted Services	15.3	15.5	15.4	15.2	15.3
Contrib., Grants & Subsidies	5.1	5.0	4.9	4.8	4.7
Capital Purchase	8.0	8.1	8.1	8.1	8.1
Grant Expense	3.3	3.3	3.2	3.1	3.1
Minor Equipment	0.2	0.2	0.2	0.2	0.2
Foreign Fire Insurance	7.4	7.4	7.2	7.0	6.9
Total Nonemployee	100.0	100.0	100.0	100.0	100.0

Departmental Expenses

Since Township financial information now records employee paid benefits in the appropriate department, the projected departmental expenditures reviewed in this chapter will also include those benefits. Reversing trends in the historical review period, departmental costs are anticipated to rise across the board. Public safety (police, fire, ambulance, code enforcement, planning/zoning, emergency management, health departments) expenditures are projected to increase more than any other department, growing by \$913,271 or 15.7 percent. Public safety costs are expected to rise from \$5.8 million in 2014 to over \$6.7 million in 2018. Expenditures for public works are likely to grow by \$178,641 or 8.9 percent from \$2.0 million in 2014 to \$2.2 million in 2018. Culture and recreation is anticipated to rise from \$588,554 in 2014 to \$629,461 in 2018, an increase of \$40,907 or 7.0 percent. General government/administration/finance is expected to rise by \$17,701 or 1.9 percent from \$952,028 in 2014 to \$969,728 in 2018. Debt service stays constant at \$394,685 annually. (See Table 6-8.)

Table 6-8
EXETER TOWNSHIP
Departmental Expenditures
2014 - 2018

Category	2014	2014	2015	2016	2018	Change 2014 - 2018	
	Estimated	Projected	Projected	Projected	Projected	\$	%
Gen. Gov't/Admin./Finance	\$952,028	\$924,346	\$939,012	\$954,738	\$969,728	17,701	1.9
Public Safety	5,827,486	6,050,777	6,292,249	6,526,867	6,740,758	913,271	15.7
Public Works	2,018,323	2,055,497	2,099,124	2,145,655	2,196,965	178,641	8.9
Culture & Recreation	588,554	597,416	607,298	618,220	629,461	40,907	7.0
Debt Service	<u>394,685</u>	<u>394,685</u>	<u>394,685</u>	<u>394,685</u>	<u>394,685</u>	0	0.0
Total Expenditures	9,781,076	10,022,720	10,332,368	10,640,164	10,931,597	1,150,520	11.8

Category	Percentage of Total Departmental Expenditures				
Gen. Gov't/Admin./Finance	9.7	9.2	9.1	9.0	8.9
Public Safety	59.6	60.4	60.9	61.3	61.7
Public Works	20.6	20.5	20.3	20.2	20.1
Culture & Recreation	6.0	6.0	5.9	5.8	5.8
Debt Service	4.0	3.9	3.8	3.7	3.6
Total Expenditures	100.0	100.0	100.0	100.0	100.0

Police

The salary category is anticipated to experience the largest dollar increase over the projection period, rising by \$349,842 or 12.6 percent from almost \$2.8 million in 2014 to \$3.1 million in 2018. Medical costs increase by \$231,536 or 26.6 percent from \$870,274 in 2014 to \$1.1 million in 2018. Pension expenditures rise by \$98,346 or 20.9 percent from \$471,109 in

2014 to \$569,455 in 2018. Overall, personnel expenditures in the Police Department grow by 16.1 percent or \$738,179, from almost \$4.6 million in 2014 to \$5.3 million in 2018. Non-personnel costs rise by \$136,720 or 23.0 percent from \$594,465 in 2014 to \$731,184 in 2018. The largest increases are communications (\$90,028 or 53.7 percent) — because of previously discussed growth in 911 expenditures — and vehicle fuel/oil (\$26,822 or 31.6 percent). Total police expenditures rise by \$874,899 or 16.9 percent from almost \$5.2 million in 2014 to \$6 million in 2018. (See Table 6-9.)

Table 6-9
 EXETER TOWNSHIP
Personnel and Non-Personnel Police Expenditures
 2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	Projected	Projected	Projected	Projected	Projected	\$	%
Salaries & Wages	\$2,769,203	\$2,862,647	\$2,959,274	\$3,038,105	\$3,119,044	349,842	12.6
Overtime	174,250	180,262	186,481	191,516	196,687	22,437	12.9
FICA/Medicare	52,020	53,815	55,671	57,174	58,718	6,698	12.9
Medical	870,274	922,490	979,685	1,040,425	1,101,810	231,536	26.6
Life Insurance	7,416	7,499	7,589	7,691	7,798	382	5.1
LT Disability	4,117	4,163	4,213	4,269	4,329	212	5.1
Pension	471,109	493,926	517,885	543,041	569,455	98,346	20.9
Workers' Comp	133,348	138,148	143,121	148,274	153,612	20,264	15.2
Unemployment Comp	16,691	17,292	17,914	18,559	19,228	2,536	15.2
Training	27,200	27,661	28,179	28,769	29,393	2,193	8.1
Uniform Expense	46,300	47,084	47,967	48,970	50,033	3,733	8.1
Employee Expense	4,571,927	4,754,987	4,947,980	5,126,794	5,310,106	738,179	16.1
Communications Expense	167,615	189,911	217,992	251,126	257,643	90,028	53.7
Contracted Services	15,000	15,254	15,540	15,865	16,209	1,209	8.1
Operating Supplies	49,300	50,135	51,075	52,143	53,275	3,975	8.1
Other Services & Charges	22,250	22,627	23,051	23,533	24,044	1,794	8.1
Repairs & Maintenance	22,495	22,876	23,305	23,792	24,309	1,814	8.1
Supplies	2,600	2,644	2,694	2,750	2,810	210	8.1
Vehicle Fuel/Oil	85,000	90,355	96,454	103,717	111,822	26,822	31.6
Vehicle Maintenance	36,000	36,397	36,842	37,344	37,872	1,872	5.2
Grant Expense	80,000	80,000	80,000	80,000	80,000	0	0.0
Minor Equipment	3,200	3,210	3,220	3,232	3,245	45	1.4
Capital Purchase	111,005	112,885	115,001	117,407	119,955	8,950	8.1
Non-Employee Expenses	594,465	626,293	665,174	710,910	731,184	136,720	23.0
Total Expenditures	5,166,392.0	5,381,280.3	5,613,153.7	5,837,703.8	6,041,290.6	874,899	16.9

Public Works

Like the Police Department, the largest dollar increases projected for public works are in salary and medical, which grow by \$49,037 or 5.9 percent and \$72,433 or 26.6 percent, respectively. In total, employee costs are likely to rise by \$129,268 or 9.7 percent, from \$1.3 million in 2014 to almost \$1.5 million in 2018. Non-personnel costs only increase by \$49,374 or

7.2 percent from 2014 to 2018 with most of the growth in contracted services (\$23,148) and operating supplies (\$10,159). (See Table 6-10.)

Table 6-10
 EXETER TOWNSHIP
Personnel and Non-Personnel Public Works Expenditures
 2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	Estimated	Projected	Projected	Projected	Projected	\$	%
Salaries & Wages	\$832,949	\$841,483	\$853,598	\$865,903	\$881,986	49,037	5.9
Overtime	0	0	0	0	0	0	0.0
FICA/Medicare	63,721	64,234	64,749	65,263	65,782	2,062	3.2
Medical	272,255	288,590	306,483	325,485	344,688	72,433	26.6
Life Insurance	464	470	475	481	488	24	5.1
LT Disability	239	242	245	248	251	12	5.1
Pension	99,551	100,400	101,252	102,108	102,970	3,419	3.4
Workers' Comp	48,737	49,123	49,509	49,894	50,283	1,547	3.2
Unemployment Comp	8,763	8,833	8,904	8,974	9,045	282	3.2
Training	0	0	0	0	0	0	0.0
Uniform Expense	5,600	5,695	5,802	5,923	6,052	452	8.1
Employee Expense	1,332,279	1,359,070	1,391,015	1,424,280	1,461,547	129,268	9.7
Contracted Services	287,100	291,962	297,436	303,657	310,248	23,148	8.1
Vehicle Fuel/Oil	0	0	0	0	0	0	0.0
Vehicle Maintenance	121,500	122,841	124,342	126,036	127,819	6,319	5.2
Insurance & Bonding	0	0	0	0	0	0	0.0
Other Services & Charges	0	0	0	0	0	0	0.0
Repairs & Maintenance	38,000	38,643	39,368	40,191	41,064	3,064	8.1
Sanitation Service	0	0	0	0	0	0	0.0
Electricity	24,900	24,888	24,876	24,862	24,848	-52	-0.2
Operating Supplies	126,000	128,134	130,536	133,266	136,159	10,159	8.1
Tools & Minor Equipment	5,000	5,000	5,000	5,000	5,000	0	0.0
Equipment Rental	0	0	0	0	0	0	0.0
Minor Equipment	0	0	0	0	0	0	0.0
Capital Purchase	83,544	84,959	86,552	88,362	90,280	6,736	8.1
Non-Employee Expenses	686,044	696,427	708,109	721,375	735,418	49,374	7.2
Total Expenditures	2,018,323	2,055,497	2,099,124	2,145,655	2,196,965	178,641	8.9

Administration

Like police and public works, Administration salaries and medical are expected to increase, growing by \$14,777 and \$21,528, respectively. Overall, employee costs rise by \$37,873 or 9.0 percent from \$419,289 in 2014 to \$457,162 in 2018. Non-personnel expenses are expected to drop during the five-year projection period, decreasing by \$20,172 or 3.8 percent from \$532,739 in 2014 to \$512,567 in 2018. The largest decline is in professional services, which falls by \$38,391 or 17.4 percent. (See Tables 6-11.)

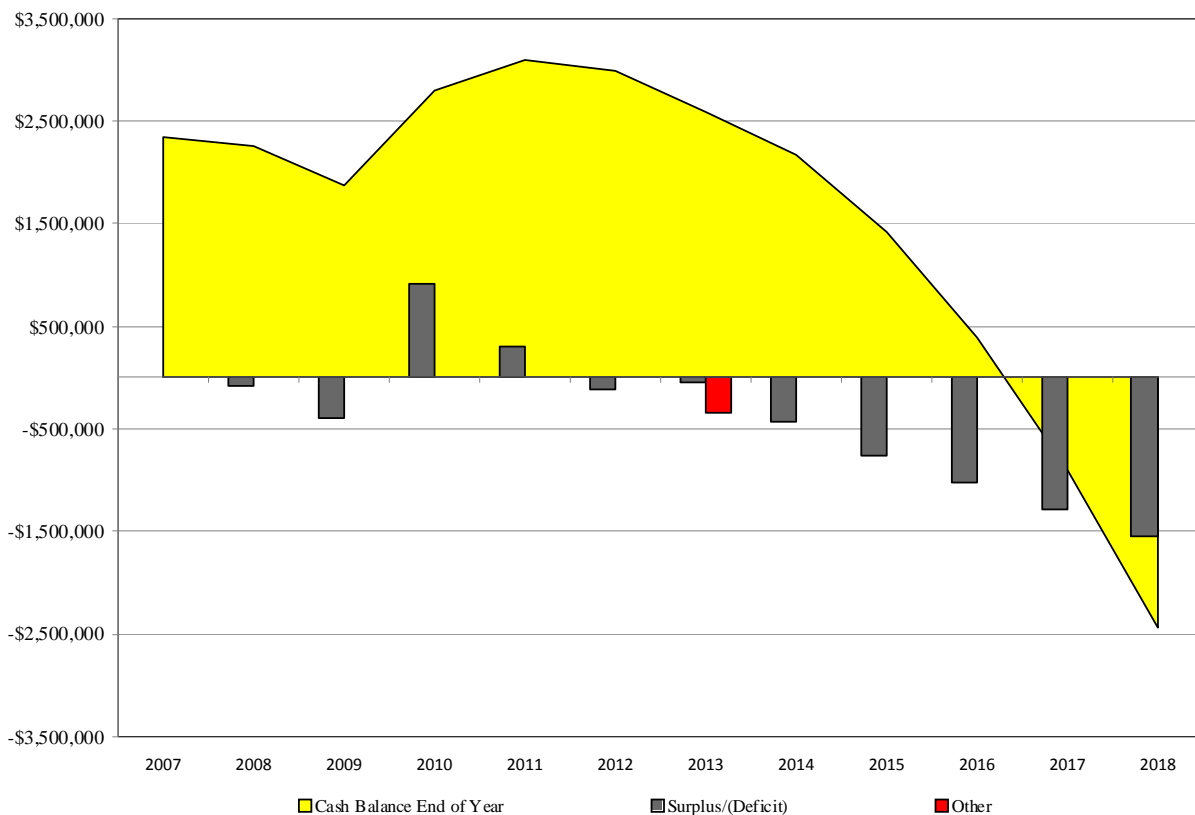
Table 6-11
 EXETER TOWNSHIP
Personnel and Non-Personnel Administration Expenditures
 2014 - 2018

Category	2014	2015	2016	2017	2018	Change 2014 - 2018	
	Estimated	Projected	Projected	Projected	Projected	\$	%
Salaries & Wages	\$252,908	\$256,466	\$260,505	\$264,619	\$267,686	14,777	5.8
FICA/Medicare	19,347	19,453	19,568	19,683	19,774	426	2.2
Medical	80,915	85,770	91,088	96,736	102,443	21,528	26.6
Life Insurance	225	228	230	233	237	12	5.1
LT Disability	132	133	135	137	139	7	5.1
Pension	29,945	30,175	30,419	30,665	30,880	935	3.1
Workers' Comp	32,117	32,120	32,124	32,127	32,131	14	0.0
Unemployment Comp	1,999	2,008	2,018	2,027	2,037	37	1.9
Training	1,700	1,729	1,761	1,798	1,837	137	8.1
Employee Expense	419,289	428,082	437,848	448,026	457,162	37,873	9.0
Communications Expense	20,500	20,443	20,381	20,313	20,243	-257	-1.3
Advertising	7,500	7,483	7,464	7,443	7,421	-79	-1.0
Dues, Subs. & Memberships	5,500	5,593	5,698	5,817	5,943	443	8.1
Office Supplies	8,800	8,949	9,117	9,307	9,510	710	8.1
Contracted Services	2,000	2,034	2,072	2,115	2,161	161	8.1
Professional Services	220,056	179,698	180,296	180,967	181,665	-38,391	-17.4
Tax Collection	18,750	19,070	19,430	19,839	20,273	1,523	8.1
Insurance & Bonding	165,379	167,231	169,238	171,504	173,886	8,507	5.1
Other Services & Charges	24,100	24,508	24,968	25,490	26,043	1,943	8.1
Repairs & Maintenance	16,200	16,474	16,783	17,134	17,506	1,306	8.1
Sanitation Service	7,500	7,711	7,950	8,226	8,522	1,022	13.6
Utilities	32,000	32,542	33,152	33,845	34,580	2,580	8.1
Supplies	3,654	3,716	3,785	3,864	3,948	295	8.1
Equipment Rental	300	305	311	317	324	24	8.1
Capital Purchase	500	508	518	529	540	40	8.1
Non-Employee Expenses	532,739	496,264	501,163	506,712	512,567	-20,172	-3.8
Total Expenditures	952,028	924,346	939,012	954,738	969,728	17,701	1.9

Cash and Cash Equivalents

Based on projections for yearly operational deficits, PEL projects that the Township could experience a cash crisis by 2017 unless steps are taken to address the ongoing deficit. The Township’s cash and cash equivalent balance is projected at \$2.2 million for 2014, dropping to \$1.4 million in 2015, and to \$391,362 in 2016. Based upon baseline projects, Exeter would no longer have cash reserves in excess of everyday operating revenues at some point in 2017. As cash reserves dwindle, officials would be forced to make decisions regarding which obligations to pay and when to pay them. Generally, municipalities make payroll their top priority, resulting in a failure to make timely payments to vendors and creditors. Late payments could have implications for the Township’s short-term and long-term credit ratings, as well as the Township’s ability to purchase essential goods and services that are necessary to provide for the health, safety and welfare of Exeter’s citizens. (See Graph 6-4.)

Graph 6-4
 EXETER TOWNSHIP
Cash and Cash Equivalents
 2007 – 2018



CHAPTER 7 OBSERVATIONS AND RECOMMENDATIONS

Introduction

Demographic changes stretching back several decades have had a profound impact on Exeter Township's current finances and operations. Exeter was transformed over that time period from a small town to a prosperous, primarily residential community. Since 1970, its population has grown by more than 140 percent and its number of housing units has jumped by almost 200 percent, with both rates much higher than surrounding Berks County and the Commonwealth. Housing values, median per capita income and median household income are all higher than in the county and the state. The growth in population, development and wealth provided significant revenues for the Township while at the same time placing increasing demands on public services. Various indicators now point to a Township that has become a more mature community. Revenue sources that consistently grew with population and development have begun to stagnate or decline. However, the need to provide public services for a larger, robust community and manage an increasingly complex Township government remains.

Since 2008, the Township has experienced three annual deficits, necessitating property tax increases in 2009, 2010 and 2013. Projections indicate that revenues from the current level of taxes and non-tax sources will be unable to keep pace with anticipated expenditures, despite prior cuts to many non-personnel expenditure items. In addition, management reviews of Township departments suggest a need for additional administrative staff and development of more sophisticated financial, planning and organizational systems. To counter the financial trends, PEL recommends careful consideration of various taxation options but cautions against dipping into the Township's cash balance, which will produce short-term gains to the General Fund at the expense of long-term financial stability.

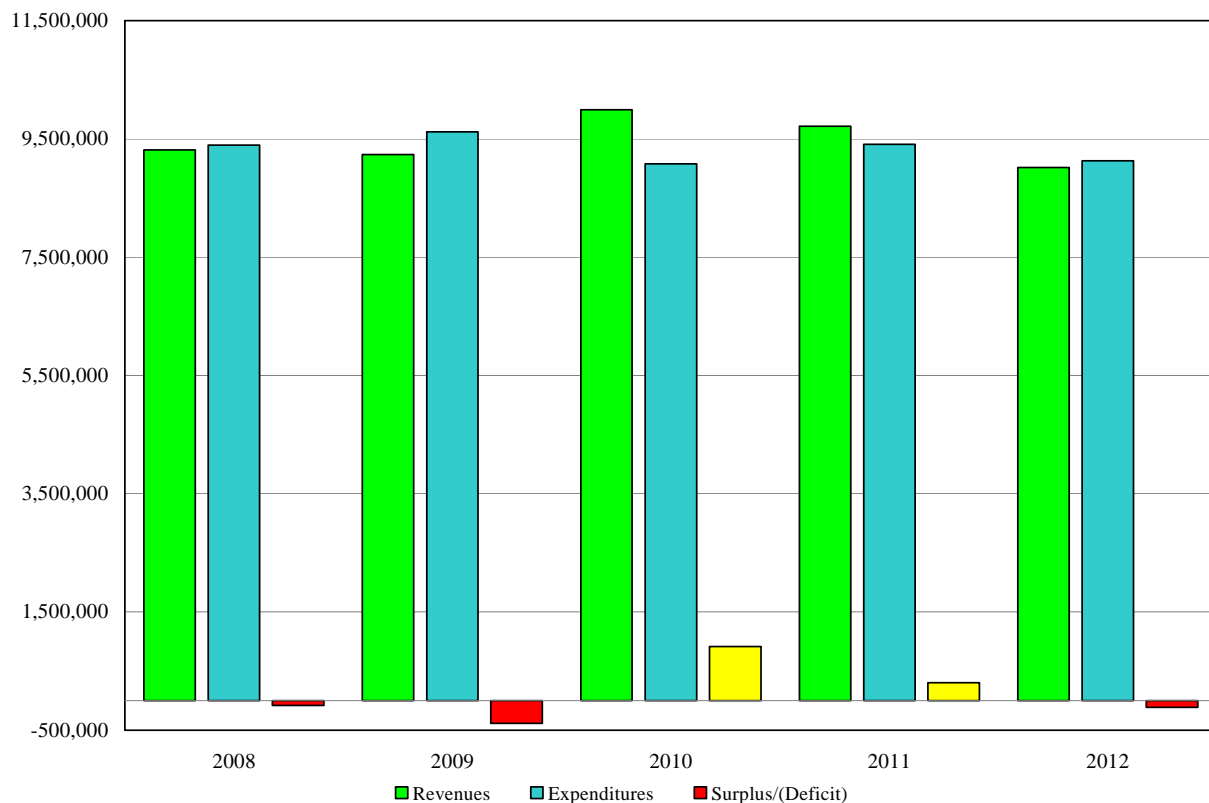
Observations

During the historical review period, Exeter recorded a General Fund operating deficit for 2008 and 2009, and then experienced surpluses in 2010 and 2011 following property tax increases and non-personnel reductions. Despite the real estate tax increases, the Township ended 2012 with an operating deficit as non-tax revenue fell and personnel costs held steady. (See Table 7-1 and Graph 7-1.)

Table 7-1
 EXETER TOWNSHIP
Revenues and Expenditures Yearly Surplus/Deficit
 2008 - 2012

	2008	2009	2010	2011	2012	Change 2008 - 2012	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
Revenues	\$9,314,887	\$9,234,931	\$9,990,925	\$9,712,919	\$9,017,504	-297,383	-3.2
Expenditures	9,397,374	9,620,508	9,076,626	9,408,310	9,132,023	-265,351	-2.8
Surplus/Deficit	-82,487	-385,576	914,299	304,609	-114,519	-32,032	38.8

Graph 7-1
 EXETER TOWNSHIP
Revenue, Expenditures, Surplus/(Deficit)
 2008 - 2012



Total tax revenue grew by 10.1 percent over the historical period, largely due to a rise in real estate taxes following previously mentioned tax increases. Earned income tax — Exeter Township’s most productive tax — fluctuated somewhat over the review period but experienced no major increases or decreases. The annual variances might be due to the Township’s use of cash versus modified accrual accounting system as well as state-mandated changes to EIT

collection procedures late in the historical review period. Real estate transfer tax dropped by \$352,048 or 58.2 percent, while business privilege tax grew by \$198,176 or 60.9 percent. Non-tax revenue fell by 28.2 percent from 2008 to 2012, with the largest declines in protective inspection and UCC fees, public safety fees and sanitation fees. In addition, the Township received a one-time revenue item in 2008 of approximately \$425,000 that was related to development. This large one-time revenue item impacts the comparison between 2008 and 2012. Revenues from refunds of prior year expenses, which occur when health care payments exceed expenditures and therefore vary annually, fluctuated over the review period. Overall, the amount of revenue that Exeter Township received from taxes and fees related to development, which had been a considerable source of income, fell during the historical period as residential development dropped, forcing the Township to replace that income with real estate taxes. (See Table 7-2 and Graphs 7-2 and 7-3.)

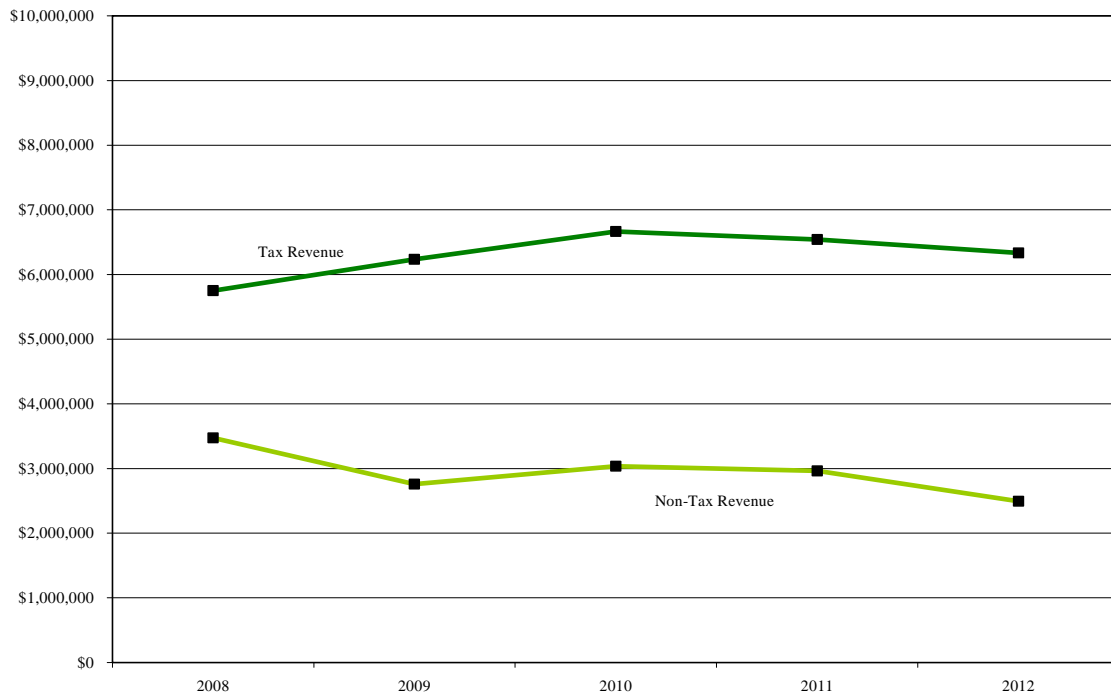
Table 7-2
EXETER TOWNSHIP
Total Revenues
2008 - 2012

Revenue By Category <u>Category</u>	2008	2009	2010	2011	2012	<u>Change 2008 - 2012</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>\$</u>	<u>%</u>
Tax Revenue	\$5,751,365	\$6,233,803	\$6,663,999	\$6,540,183	\$6,334,701	583,337	10.1
Non-Tax Revenue	3,473,141	2,759,475	3,034,048	2,961,844	2,494,565	-978,577	-28.2
Transfers	15,000	105,000	49,449	1,455	1,814	-13,186	-87.9
Bond Proceeds	11,822	0	0	0	0	-11,822	-100.0
Refunds - Pr Yr Expenses	<u>63,560</u>	<u>136,654</u>	<u>243,429</u>	<u>209,436</u>	<u>186,424</u>	<u>122,864</u>	<u>193.3</u>
Total Revenue	\$9,314,887	\$9,234,931	\$9,990,925	\$9,712,919	\$9,017,504	-\$297,383	-3.2

	<u>Percentage of Total Revenues</u>				
	2008	2009	2010	2011	2012
Tax Revenue	61.7	67.5	66.7	67.3	70.2
Non-Tax Revenue	37.3	29.9	30.4	30.5	27.7
Transfers	0.2	1.1	0.5	0.0	0.0
Bond Proceeds	0.1	0.0	0.0	0.0	0.0
Refunds - Pr Yr Expenses	<u>0.7</u>	<u>1.5</u>	<u>2.4</u>	<u>2.2</u>	<u>2.1</u>
Total Revenue	100.0	100.0	100.0	100.0	100.0

Not all figures may add due to rounding.

Graph 7-2
 EXETER TOWNSHIP
Tax Revenue and Non-Tax Revenue
 2008 - 2012

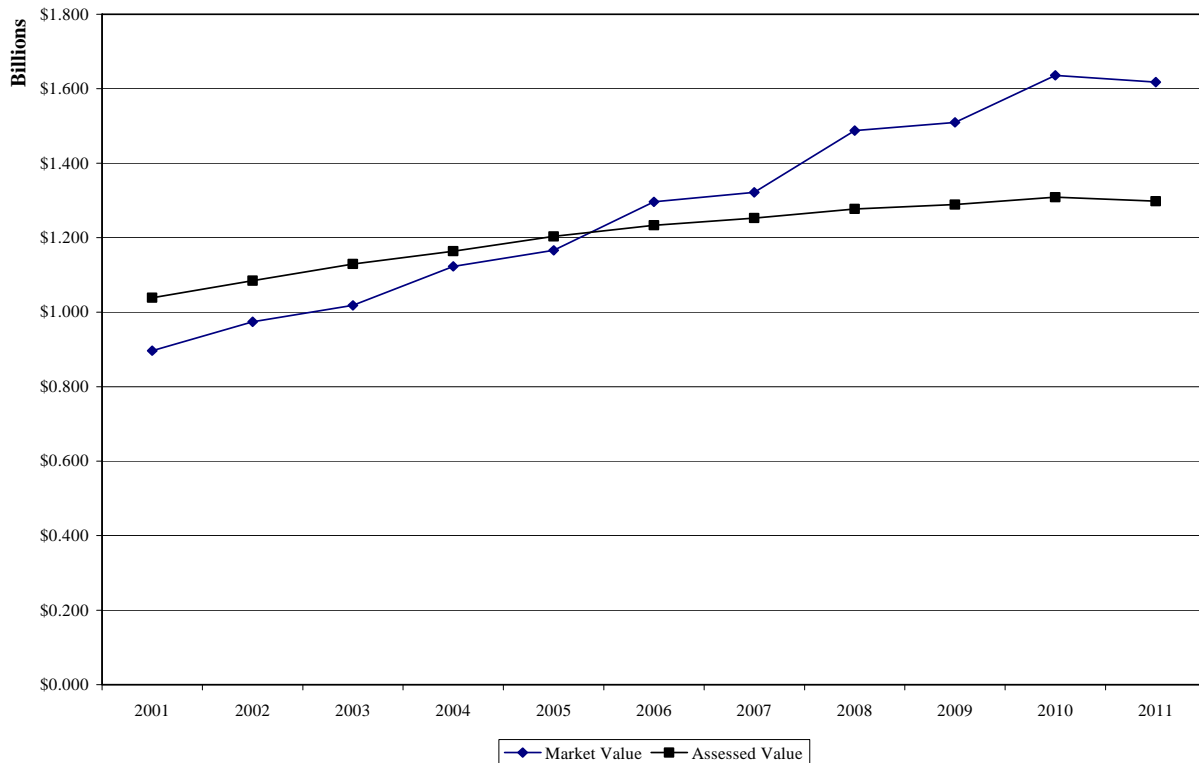


Graph 7-3
 EXETER TOWNSHIP
Real Estate Taxes and Non-Millage Property-Based Tax and Fees
 2005-2012



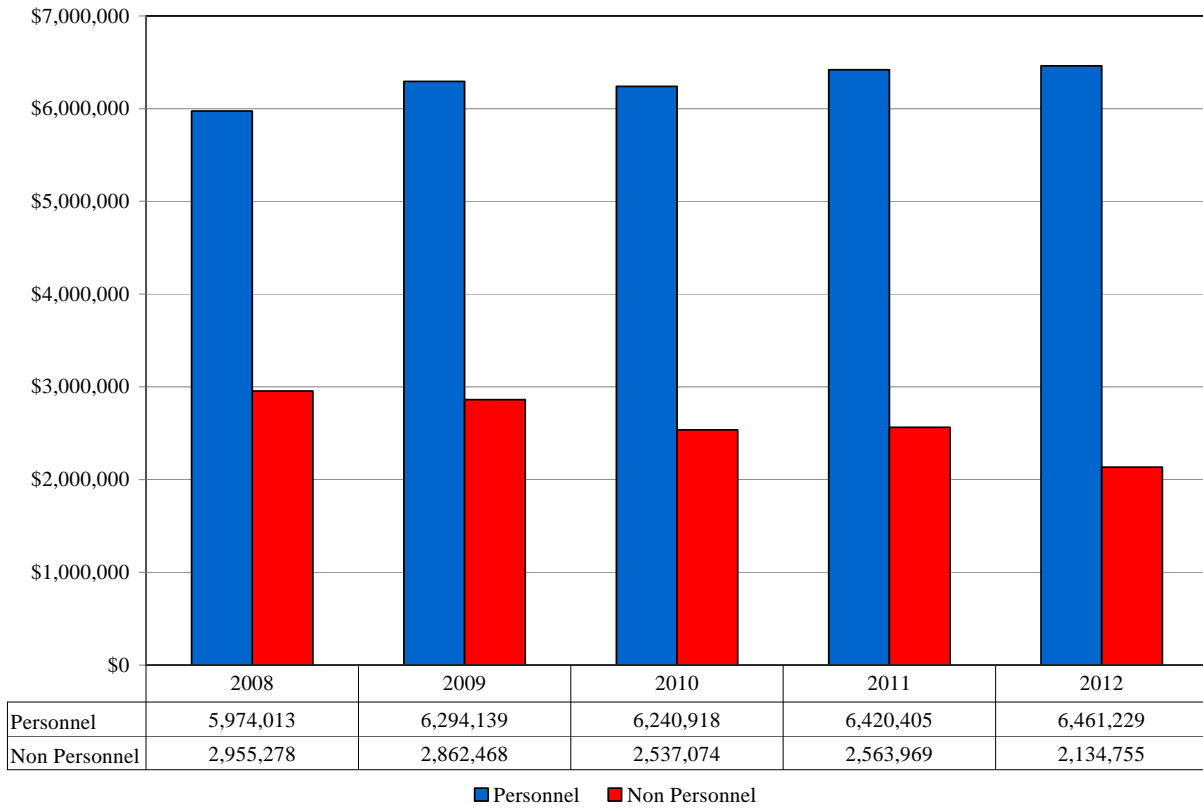
Revenue collections were further complicated by the fact that the Berks County assessed value for the Township failed to keep pace with market value as estimated by the State Tax Equalization Board (STEB). In 2001, market value lagged behind assessed value. By 2006, the situation had reversed, and the gap between market value and assessed value grew increasingly larger. As of 2011, market value was 25 percent higher than assessed value. (See Graph 7-4.)

Graph 7-4
 EXETER TOWNSHIP
Real Estate Market Value and Assessed Value
 2001 - 2011



On the expenditure side, personnel costs rose by \$487,216 or 8.2 percent with the bulk of the increases in salaries and wages, health insurance, pension and workers’ compensation. Non-personnel costs, meanwhile, were cut virtually across the board, falling by \$820,523 or 27.8 percent, with the largest drops in professional services; contracted services; contributions, grants and subsidies; and insurance. (See Graph 7-5.)

Graph 7-5
EXETER TOWNSHIP
Personnel and Non-Personnel Expenditures
 2008 - 2012



Adjusted departmental expenditures, which as explained in Chapter 4 do not include employer paid benefits, show reductions across the board with the largest monetary decreases in Public Works (\$231,115), followed by General Government/Administration/Finance (\$148,471). Public Safety experienced the smallest decline in expenditures (\$61,344). (See Table 7-3.)

Table 7-3
 EXETER TOWNSHIP
Adjusted Departmental Expenditures
 2008 - 2012

Category	2008	2009	2010	2011	2012	Change 2008 - 2012	
	Actual	Actual	Actual	Actual	Actual	\$	%
Without Employer Paid Benefits							
Gen Gov't/Admin/Finance	\$911,604	\$1,081,849	\$860,264	\$779,321	\$763,133	-148,471	-16.3
Public Safety	3,864,245	4,017,095	3,864,656	3,861,585	3,802,901	-61,344	-1.6
Public Works	1,644,761	1,572,382	1,632,738	1,674,514	1,413,645	-231,115	-14.1
Culture & Recreation	606,868	618,434	457,380	499,502	477,227	-129,642	-21.4
Debt Service	406,436	461,288	289,687	422,674	429,940	23,504	5.8
Transfers	185,000	0	0	0	95,055	-89,945	-48.6
Total Expenditures	7,618,914	7,751,047	7,104,724	7,237,597	6,981,901	-637,013	-8.4

Not all figures may add due to rounding.

In 2013, the Township anticipated a deficit of \$191,864 but instead ended the year with a deficit of only \$50,808. Anticipated expenditures were 1.2 percent higher than budgeted, while revenues were \$257,009 or 2.8 percent higher than expected. Part of the revenue increase was in refund of prior year expenses, which as previously explained fluctuates based on health insurance usage. The remainder of the difference is primarily earned income taxes and real estate transfer tax. The overall accuracy of the budgeted figures is a testament to the abilities of the Township's Manager and Finance Manager. (See Table 7-4.)

Table 7-4
 EXETER TOWNSHIP
General Fund Revenues
 Actual 2013 versus Budgeted 2013

	2013	2013	Estimate vs. Budget	
	Actual	Budget	\$	%
Revenue	\$9,460,765	\$9,203,756	257,009	2.8
Expenditures	9,511,573	9,395,620	115,953	1.2
Surplus/(Deficit)	-50,808	-191,864	141,056	

Based on assumptions as outlined in Chapter 6, PEL projects only a slight growth in revenues that will be unable to meet anticipated expenditures, leading to growing deficits from 2014 to 2018. Projections indicate that tax revenue will rise by 2.4 percent while non-tax revenue drops 4.7 percent, resulting in flat revenues over the projection period. On the expenditure side, the greatest increases are expected in personnel costs, which are expected to grow by \$968,178 or 13.9 percent. The largest departmental increase is likely in Public Safety, anticipated to rise by

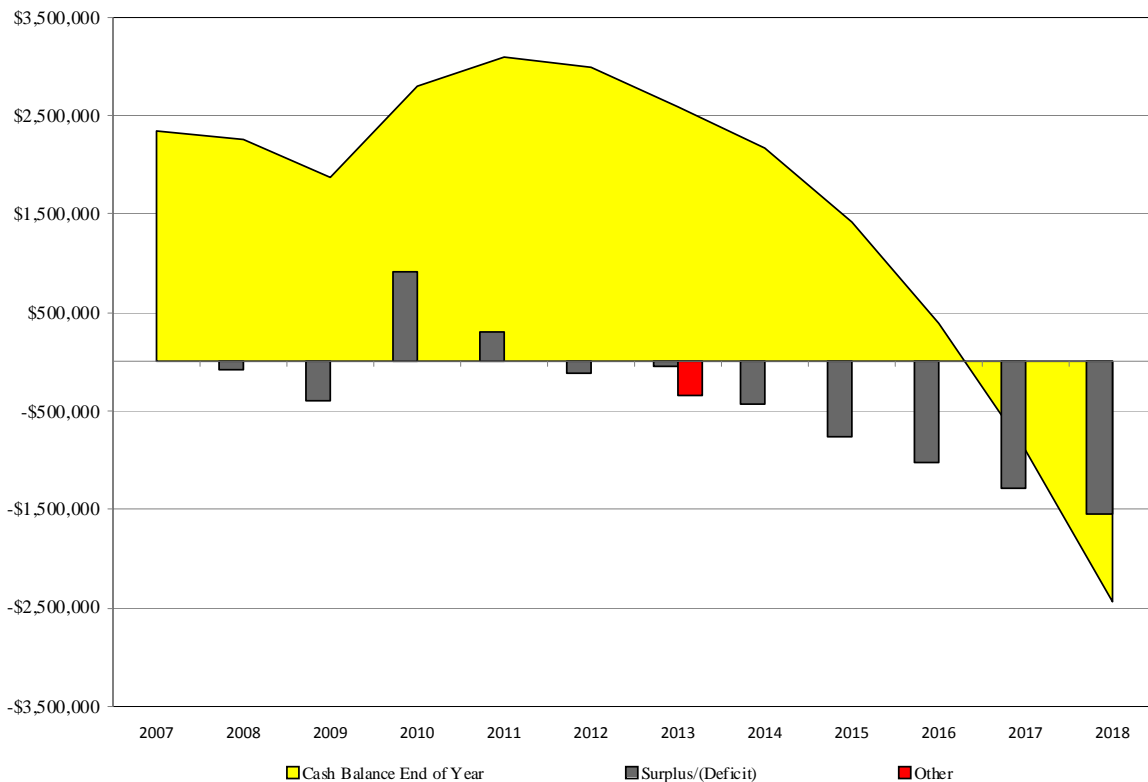
\$874,899 or 16.9 percent. As a result, the projected annual deficit grows from \$426,056 in 2014 to \$1.5 million in 2018. (See Table 7-5.)

Table 7-5
EXETER TOWNSHIP
General Fund Revenues
2014 through 2018

	2014	2015	2016	2017	2018	Change 2014 - 2018	
	<u>Estimated</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
Revenue	\$9,355,020	\$9,270,748	\$9,309,333	\$9,354,361	\$9,393,836	38,816	0.4
Expenditures	9,781,076	10,022,720	10,332,368	10,640,164	10,931,597	1,150,520	11.8
Surplus/(Deficit)	-426,056	-751,973	-1,023,035	-1,285,804	-1,537,761	-1,111,704	—
Cumulative Deficit	-476,865	-1,228,837	-2,251,872	-3,537,676	-5,075,437		

Based on projections for yearly operational deficits, the Township could experience a cash shortage by 2017 unless steps are taken to address the ongoing deficit. At some point in 2017, Exeter would no longer have cash reserves in excess of everyday operating revenues. (See Graph 7-6.)

Graph 7-6
EXETER TOWNSHIP
Cash and Cash Equivalents
2007 – 2018



Recommendations

Phase II Early Intervention Plan

- In order to accomplish certain of the EIP recommendations and evaluate additional needs, the Township **should immediately apply for Phase II Early Intervention Plan** funding from the state Department of Community and Economic Development.
- Specific goals of the Phase II EIP:
 - Defray a portion of the expenses associated with changing the Township from a modified cash basis of accounting to GAAP, including the hiring of an accounting firm to assist with the process.
 - Undergo a feasibility study to identify the specific processes and steps that are necessary to develop a program-based budget.
 - Evaluate the options available to the Township for providing Emergency Medical Services within the Township; and examine the funding options available to the Township regarding additional revenue as requested by the Exeter Township Fire Department.

Revenues

- As noted in the observations, Exeter benefited in the past from revenue increases that naturally occurred as the result of development and population growth. Township officials appropriately reduced expenditures and increased real estate millage as those other revenue sources began to flatten or fall.
- Due to statutory limits, the Township is currently unable to increase revenue by raising EIT, which is its most productive tax, or real estate transfer tax, which allows the Township to benefit from property transactions. As a result, Exeter is forced into a growing reliance on property tax increases as a way to raise revenue.
- The situation limits the Township's ability to take a more balanced approach by using a mixture of increases on the three tax levies so that no one tax paying group is impacted disproportionately. For example, retired individuals might pay property taxes but do not pay earned income taxes. Wage earners pay the earned income tax and might also pay property taxes. Commercial and business entities are more likely affected by property tax and real estate transfer tax increases since their property values and transactions tend to be on a larger scale.

- The Township should consider becoming a Home Rule community so that it is not bound by caps on EIT and real estate transfer taxes. Under Home Rule, the basic authority to act in municipal affairs is transferred from state law, as set forth by the General Assembly, to a local charter, adopted and amended by the voters. Home Rule would still subject the Township to certain state restrictions that are applicable to Home Rule municipalities.
- Home Rule charters are prohibited from placing limits on the rate of real estate millage, EIT or real estate transfer taxes. However, the charter could limit the increase of total revenue year over year, if officials believe such oversight is necessary.
- The development of a Home Rule charter involves several steps. A government study commission question must be placed on the ballot either through a Township ordinance or by a petition of registered Township voters. If the study commission is approved and recommends a Home Rule form of government, the commission is charged with drafting a Home Rule charter that is then subject to a public vote.
- Detailed information on the Home Rule process is available from the Pennsylvania Governor's Center for Local Government Services. The center's website, www.newpa.com, includes a publication on the Home Rule process under the Local Government section.
- Regardless of whether the Township decides to enact a Home Rule charter that removes limits on EIT and real estate transfer tax rates, Township officials should continue to consider raising property taxes as appropriate to eliminate annual General Fund deficits.
- The Township Board of Supervisors decided to use funds from Exeter's existing cash balance in order to eliminate a projected deficit in the 2014 budget. Currently, Exeter's cash balance is in line with the Government Finance Officers Association best practice recommendation of maintaining a dedicated fund balance of up to two to three months of revenues and expenditures. This best practice situation is commendable and should be continued. Therefore, **PEL believes the Township should carefully consider future use of the cash balance and work to maintain the current cash balance by eliminating future deficits through other means.**
- Exeter's local services tax is \$52 annually, with \$10 received by the Exeter Township School District. The Township is permitted to collect up to \$47 of the total \$52 LST levy.

Township officials may consider reducing the school district's share in order to receive the maximum LST amount.

- PEL's five-year projection assumptions do not increase fines, fees and charges for services beyond their current level. **Municipal officials should examine the fee amounts charged in order to guarantee the Township is receiving an amount that, at a minimum, equals the provision and administration of the services, taking into account expenses for personnel, supplies, etc.**
- **PEL also recommends that Exeter review the suitability of current exemptions from property taxes** to guarantee, for example, that property owned by tax exempt institutions is not being used by for-profit ventures that should be subject to taxation.

Accounting

- Exeter Township uses a modified cash basis of accounting for its financial statements, which is not in conformance with Generally Accepted Accounting Principles (GAAP). Although use of a modified cash basis was not a cause for the 2012 qualifying opinion, PEL believes that the practice is deficient. This is especially true for a government like Exeter Township, whose transactions, activities, and multiple funds and budgets are financially complex.
- Under the modified cash basis of accounting, revenue is recognized and reported when the actual cash payments are received. Expenses are recognized and reported when actual payments are made.
- Exeter's current practice of prompt payment follows from the Township's diligent management practices. However, there is no defined accounting system to guarantee that this practice would continue under a management change. Problems could also occur if funds are not available for payment. Without a systematic accounting procedure, it is more likely for any entity to fall into the "cigar box syndrome" if there is no payable balance that needs to be confirmed as part of an audit process (the cigar box syndrome is holding and not processing bills at year end until new revenue becomes available to meet the costs incurred. PEL is aware of a number of municipalities where the cigar box syndrome has become a real problem, especially as cash resources began to decrease.).

- **Township officials should follow GAAP recommendations concerning use of accrual and modified accrual bases of accounting as appropriate rather than a modified cash system.** Implementing a such a system will require some additional accounting support for more sophisticated transactions, especially those dealing with debt and other liabilities and reporting receivable accruals (especially at year end). However, much of the detailed analysis, especially dealing with debt, debt related items and OPEB liability, is already being performed.
- **PEL also recommends hiring an accounting firm to perform quarterly review and transaction recording.** Audit expenses may increase because of the necessity to test various accruals with external confirmation. However, these steps provide additional confirmation that assets and liabilities fall within the audit assurance.
- Because the Township uses the modified cash basis, non-cash assets are not included on the balance sheet. This includes both receivables and capital assets net of depreciation. More critically from PEL's perspective, no debt is included in the Statement of Net Position (balance sheet). For 2012, according to the Financial Statement Notes, Exeter Township had long-term debt of just over \$50 million — about \$21 million for government activities and \$29 million for business activities. Although the debt is included in the audit notes, it is not included in the “balance sheet.” Similarly, liabilities for Other Past Employment Benefits (OPEB) are discussed in the financial statement notes but not the balance sheet. The notes indicate that the OPEB unfunded actuarial liability is in excess of \$7 million.
- As a matter of financial transparency and good government, **both capital assets and long-term liabilities should be incorporated into the government-wide financial statements.** The inclusion of these assets and liabilities in PEL's view is critical for a better understanding of the Township's financial position for management, the governing body and the public at large.
- The 2012 Township audit contained a qualified opinion because Exeter did not include financial statements for the Exeter Township Berks County Authority (Sewer Authority) and the Exeter Community Library. The sewer authority and library are considered component units of the Township due to the fact that Exeter, within the context of prior audits, is financially responsible for both entities.

- **PEL recommends that the Township discuss the situation with its auditors to determine the most appropriate way to include the two component units.**

Emergency Services

- Both the volunteer Exeter Township Fire Department and the private, nonprofit Exeter Ambulance Association have approached the Township about providing funds to their respective organizations in order to maintain or improve emergency services to Township residents.
- The Township currently supports the Fire Department through a 0.505 mill property tax. The Fire Department is seeking additional funds to construct a new fire station that members believe is needed to provide adequate accommodations for its in-station staffing and live-in programs, which support department operations. The department also maintains that a new fire station would result in faster and more efficient response times to emergency incidents, thus increasing resident safety. In addition to money for the proposed new fire station, the department is seeking to use a portion of a requested millage increase for staffing.
- The Exeter Ambulance Association is the Township's current provider of emergency ambulance services. The Township pays the association's 911 communications fee and has contributed to the association in the past on a year-by-year basis.
- The association has indicated to the Township that it is experiencing severe financial difficulties despite attempts to cut costs and increase revenues. In making its case, the association noted that it has been unsuccessful in collecting thousands of dollars in emergency medical services that were provided to Township residents despite attempts to obtain the money from the individual resident and/or the insurance provider. The association has also stated that it "may not be around" if the situation continues.
- In order to provide for the health, safety and welfare of its residents, **PEL recommends that the Township seek a Phase II EIP grant from DCED, as noted previously, in order to study the issues of providing additional funding that was requested by the Fire Department and exploring various options concerning the provision of emergency medical services.** Those options include, but are not limited to, providing consistent funds to the Exeter Ambulance Association, supporting a proposal to have the

Fire Department provide emergency medical services to Township residents either on its own or through a joint venture with the ambulance association, or seeking the service from another existing provider such as Southern Berks Emergency Medical Services or Western Berks Emergency Medical Services.

Administration — below is a summary of recommendations included in the **Administration Management Review** located in the Appendix. Please see the full text of the review for additional information.

- **Review the roles and responsibilities of the Board of Supervisors and Township Manager.** Based on interviews with both staff and elected officials, it is apparent that Exeter's executive leadership is currently blended between the Board of Supervisors and the Township Manager. There are individual Supervisors actively involved in operational issues, a situation that creates multiple perceived seats of authority for Township employees. This confusion can lead to ineffective management in the organization. The Township should review the roles of the Township Manager and the Board of Supervisors, as delineated in the Code, as they pertain to the everyday administration of the Township.
- **Create Administrative Services Manager position; reorganize Township Manager's span of control.** According to the Township's organizational chart, the Township Manager currently has 10 direct reports. In addition to these supervisory responsibilities, the Township Manager may serve in numerous other capacities outlined under the Township Manager ordinance including Township Secretary, Township Treasurer, Township Engineer, Superintendent of Roads, Zoning Officer, Building Inspector and Purchasing Agent. Other duties that are detailed in the ordinance include human resources functions, budget preparation and budget administration. This is a wide breadth of responsibility. Practically speaking, the Township Manager also performs numerous day-to-day tasks, such as making bank deposits and providing back-up to payroll, which are extremely clerical in nature and are not appropriate as part of the Township Manager's daily responsibilities.
- The current organizational structure limits the Township Manager's ability to focus on executive-level planning and management issues.

- The recommended structure in the Administration Management Review reduces the Township Manager's span of control from 10 direct reports to six through creation of an Administrative Services Manager position. It is important to note that the recommended reporting relationships and structure will only be effective if fully implemented. The growth of the Township and the complexity of the financial and operational challenges it currently faces require a higher level of executive management than has been necessary in the past. It is not practical for the Township Manager to be involved in so many day-to-day issues (e.g. inputting payroll, making bank deposits) while still effectively leading the organization during this critical period. This is important for the long-term sustainability of the Township.
- **Enhance the Township's financial and human resources management capabilities.** Exeter Township has seen a nearly 50 percent increase in population since 1990. The growth in residents has created a proportional increase in demand for public services and thus an increase in the scale and complexity of Township operations. The size and expertise of the administrative function of the Township has not kept pace despite these trends.
- As discussed in the previous recommendation, the Township Manager currently maintains primary responsibility over Township human resource management tasks. The Business and Personnel Administrator plays a key supporting role, mainly focused on the processing of payroll, employee benefits, and workers' compensation, with the Township Manager providing backup as needed. However, there is no dedicated human resources professional in the organization.
- The Township's need for financial expertise has also increased. Through this Early Intervention Program, the Township will be provided with numerous recommendations intended to strengthen the Township's fiscal capacity and long-term sustainability. Implementation of these initiatives will require a strategic budget and financial management skill set that is not singularly available within the Township's existing staff. Therefore, it will be imperative that the Administrative Services Manager has demonstrated experience in human resource management, budget development, and financial management.

- The Administrative Services Manager should be a non-union management staff position and should work closely with the Township Manager to ensure successful implementation of the financial and personnel recommendations. Additionally, the Administrative Services Manager should be tasked with determining the competencies that are needed in the department, assessing the proficiencies of staff, and providing appropriate training as needed to ensure staff has the opportunity to develop their skills in the best interest of the Township.
- **Centralize procurement and contract administration within the Administration.** Currently, Exeter Township's purchasing and contracting function is managed by the Zoning Officer. Because of the Zoning Officer's regular workload, it is not reasonable to expect that position to assume this additional responsibility. Therefore, it is recommended that all procurement and contract administration be centralized and managed by the Administrative Services Manager.
- Ideally, a centralized purchasing function should provide detailed guidance and oversight to all Township employees in developing requests for quotes/qualifications (RFQ) or proposals (RFP), evaluating and selecting vendors, negotiating costs, and other strategic purchasing decisions. The Administrative Services Manager, acting as purchasing agent, should work closely with Township departments to ensure that all purchasing decisions are made in a thorough, informed manner and that all purchasing processes comply with applicable local, Commonwealth and Federal regulations.
- **See recommendations under Public Works for additional options and considerations regarding the structure of the Administrative Services Manager position.**
- **Automate manual processes, such as payroll and utility billing.** Local governments in the process of growth face a challenge in the provision of transactional services such as payroll and utility billing. The increased scale and complexity of the task, caused by the growing employee/customer roster, makes these processes an undertaking that cannot be effectively managed by a small administrative staff as just one among their many duties. However, at the same time, the scale of the task may not yet be at the level where a specialized position could be created exclusively for it. This being the case, automating existing procedures and considering contracting out these services to firms with specialized knowledge of the needs of Pennsylvania townships is a viable option.

- **Create an organization-wide strategic plan.** There is currently no strategic plan for Exeter Township. This has created a lack of priority setting and focus across the organization. While individual departments will identify and seek to accomplish goals on an ad hoc basis, these efforts are not linked to a larger, Township-wide vision or priorities set by the Board of Supervisors. As the elected body of Exeter Township, the Board of Supervisors should establish a clear vision and key priority areas for the Township. Without a deliberate identification of priorities, there can be little strategic allocation of resources. Furthermore, without a unity of purpose, departments may function independently and perhaps even autonomously, creating an organization of silos which is inefficient and often counterproductive.
- **Implement a performance management system.** One of the ways in which the Township Manager and the Board of Supervisors can be assured that the organization is functioning effectively (or be alerted to impending issues or problems) is by developing a performance management system and reviewing regular management reports for each major function in the Township. The Township Manager should meet with managers of each of these major functions to discuss detailed updates on all key projects and initiatives.
- A performance management system is a process tool designed to ensure that the work of both employees and management is focused on the vision and strategic goals of the organization being served. Effective performance management systems aim to focus employees' work in ways that directly support the organization's strategic plan. Further, these systems monitor the organization's progress toward achieving goals and priorities identified in the strategic plan. A performance management system typically consists of three core elements:
 - Setting goals and creating a strategic plan;
 - Measuring performance against established performance goals; and
 - Sustaining a dialogue between management and employees to ensure the work of the organization is being completed in conformance with established schedules.
- **Complete program identification process and evaluate feasibility of developing a program-based budget process.** One best-practice approach used to meet this objective is to adopt a program-based budgeting process. Traditionally, local governments develop

and organize budgets by department or division. For example, a police department budget might be organized by patrol, investigations, emergency communications, etc. A program-based budgeting process seeks to structure the budget by the discreet services, or programs, that a department provides. Using the prior example, under a program-based budgeting model, a police department's budget might be organized by patrol, community-oriented policing, general investigations, special investigations, etc.

- This approach offers a number of tangible benefits that serve to demystify the budget for both elected officials and residents, while leading the organization toward a performance-driven budgeting process. A program-based budget defines each program or service, the purpose of the program, the FTE level assigned to that program, and the cost of delivering the specific program. In other words, a program-based budget clearly defines what services tax dollars fund and how much each service costs.
- It is important to note, however, that developing a program-based budget is a significant undertaking. It not only requires a revision to the budgeting process, which is challenging enough, but it requires that the Township revise its accounting practices and account codes to be able to effectively monitor budgeted versus actual expenses. This effort would require a significant staff commitment, not only from the Township Manager and financial staff, but from department directors and program managers.
- As such, **it is recommended that the Township seek EIP Phase II funding to prepare a feasibility study to identify the specific processes and steps that are necessary to develop a program based budgeting process.** This process should be led by the new Administrative Services Manager, under the support and direction of the Township Manager.

Police Department — below is a summary of priority recommendations included in the **Police Department Management Review** located in the Appendix. Please see the full text of the review for secondary recommendations and additional information.

Current Department Organization and Staffing

- The Police Department is a 24/7 operation with a compliment of 29 officers. There are currently vacancies in the Lieutenant and two police officer positions. In addition, three officers are currently on leave for disability or workers' compensation. The Traffic Unit

and DARE program were eliminated and use of the Bike Patrol Unit is limited due to staffing issues. Township population has increased while manpower has decreased.

- **The Department should evaluate the current manpower limitations in connection with the current Organizational Chart and assess the ability to provide the services depicted. A plan should then be developed to either adjust the current manpower to meet the mission of the organization or to change the organizational chart/mission to meet the limitations of the current available manpower.**
- Review and consider the clearance rates of Part I and Part II crimes in comparison to the County clearance rates when completing the manpower evaluation. The Department clearance rate is above the County average and will surely be negatively impacted if further reductions in manpower occur.
- The Lieutenant's job description duties have been distributed among the Chief and Sergeants. The additional assignments may create situations where routine duties and overall effectiveness are impacted. **The Township Supervisors should give serious consideration to filling the vacant Lieutenant position.**
- The Department does not provide an annual report of police activity. **Create, publish and deliver to Township officials a Department annual report of relevant crime and personnel activity throughout a given year.**
- From 2013 to 2018, Berks County will transfer a 911 dispatching fee to municipalities based on population. The fee increases 18 percent annually. In 2014, the cost to the Exeter Township police budget will be \$132,000. **Explore any and all possible opportunities to decrease the 911 dispatching fee through the County Commissioners Association of Pennsylvania and the state Legislature.**
- The records section provides support services for all Police Department operations. The services include, but are not limited to, dispatching when calls are not routed through Berks County Emergency Operations Center; records maintenance; data entry; completing and maintaining statistics and preparation of the monthly report; false alarm billing; clerical and secretarial support to all divisions; receptionist duties and a myriad of duties too numerous to list.
- The records section is staffed by a full-time civilian supervisor and one full-time and one part-time secretary. One part-time secretarial position was a full-time position through

2011. Interviews suggest that the section's ability to maintain the workload has suffered as a result of the position reduction. There are tasks such as false alarm billing, citation and other required data base entries that are behind schedule. In addition, there are times when staffing during vacations, sickness, doctor's appointments, etc. becomes difficult to cover.

- **Conduct a workload time study to determine the adequacy of the current civilian staffing level. Adjust or maintain staffing in accordance with the study result.**

Performance Evaluation

- Performance evaluation is the measurement and analysis of on-the-job performance of police employees. Evaluations focus on the manner and effectiveness by which prescribed duties are carried out. The process enables officers to maintain acceptable performance and reduce unacceptable performance; reveals training needs both individual and collective; provides the basis for decisions including assignment, promotion, discipline and termination; and provides a medium for supervisor-subordinate discussion and counseling. Performance evaluations promote job satisfaction for officers who are performing well and provide incentives to improve for those who are performing poorly.
- Currently, the department does not evaluate the performance of any position, rank or assignment. The department should **develop and implement an annual written performance evaluation system and probationary evaluation system for all officers and civilian employees.** The system should provide an analysis of how well the individuals in those positions perform various tasks as identified by the department.
- The system should include **performance evaluations of those promoted to lieutenant and sergeant positions.** The performance of new supervisors should be evaluated every three months during a one-year probationary period. The probationer should be given permanent status only after successful completion of the probationary period and certification by the Chief. Those probationers who cannot adjust to the responsibilities of higher rank should be returned to their previous grade without prejudice.

Cost Analysis of Police Budget Expenditures

- The Police Department operates under an independent line item in the Exeter Township budget but there are additional police related-costs that are not included. The police line item does not specifically allocate police expenditures in the following areas: audit, accounting and payroll; solicitor fees and other legal costs; building utilities; maintenance and repair expenses; general liability insurance; Inland Marine insurance; liability insurance; business auto insurance; building fire insurance; errors and omissions insurance; and crime insurance.
- **The Township, in consultation with the Police Chief, should consider amending the police line item in the budget to include all costs directly attributable to the operation of the Police Department.**
- Exeter Township’s per capita cost for police services in 2012 was \$183.71 and its per incident cost was \$407.51, with police expenditures accounting for 51.4 percent of the General Fund budget. According to a Police Executive Research Forum (PERF) Final Report for 2009, Exeter Township’s cost per call and cost per citizen were lower than surrounding communities. Note in comparing the 2012 figures for cost per incident with the 2009 PERF study costs per call that there are more calls dispatched than there are incidents. Since the PERF report, the Township has reduced manpower from 32 police officers to 29 police officers. (See Tables 7-5 and 7-6.)

Table 7-5
 EXETER TOWNSHIP
Police Department Cost Data
 2012

Police Expenditures	\$4,693,672.00
Percent of Total Municipal Expenditures	51.40
Per Capita Cost for Police Service	183.71
Per Incident Cost for Police Service	407.51
Per Man-Year Cost for Police Service	161,851.00
Per Hour Cost for Police Service	77.81
Cost for Police Leadership Component	971,106.00
Cost for Investigative Component	485,553.00

Table 7-6
 EXETER TOWNSHIP
Police Executive Research Forum Report Municipal Comparative Information
 2009

Municipality	Population	Officers	Officers per Thousand	Calls for Service	Cost/Call	Cost/Citizen
Cumru Twp	14,789	25	1.69	14,108	\$243.00	\$243.00
Muhlenberg	18,085	32	1.77	17,383	\$161.00	\$161.00
Berks-Lehigh	19,000	30	1.58	12,160	\$164.00	\$164.00
Exeter	24,776	32	1.29	12,305	\$133.00	\$133.00
Spring	26,349	30	1.14	13,478	\$155.00	\$155.00

- **The Township should consider conducting a survey among area municipalities in order to determine the average municipal police service percentage costs and how the Township compares.** Ensure that the comparison is “apples to apples” by considering the same categories indicated in Table 7-5 (information on calculating these items is available in the full report located in the Appendix).

Tools for Evaluating Department Effectiveness in Field Operations

- **Include statistical information on crimes being investigated — followed up by detectives — on departmental monthly and annual reports.** This information will assist in determining the effectiveness of the department’s field operations.

Internal Affairs

- A police department cannot be successful for very long without public belief in its integrity. Integrity is demonstrated and protected through a strong, fair and responsive internal affairs process. Such a process demonstrates that officers and civilian employees will be held accountable for complying with sanctioned forms of behavior and punished for violating them. The department has a written internal affairs process and appears to be in compliance with professional personnel management practices. To strengthen the internal affairs function, **the department should consider publishing a summary of the number, type and disposition of complaints against officers in the department’s annual report.**

Promotion

- **The “rule of three” should be followed.** A police chief should be able to recommend (to the Board of Supervisors, Council members, or Commissioners) individuals for promotion from among the first three qualified or presented to an examining board. This gives the chief latitude in the promotion of successful candidates. It is unfair to hold the chief responsible for the performance of the department without giving the chief some discretionary power in the appointment of supervisory and command personnel from among qualified applicants. The “rule of three” recognizes imperfections inherent in any examination process and provides the chief an opportunity to exercise professional judgment in selecting staff. At the same time, the rule limits the chief’s discretion to acceptable bounds.
- Succession planning is a process through which many organizations prepare for the eventual departure of key leaders. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. During a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.
- The department should adopt and practice succession planning that will identify potential talent within the organization, as well as train identified individuals and mentor those who show promise.

Facilities, Vehicles and Equipment

- Depending upon the duty schedule (the number of officers/detectives working) and the number of vehicles available for use, there appear to be more vehicles than necessary from a cost-effectiveness approach.
- **Gather and analyze cost/mileage/repair, insurance, equipment, and similar statistics for the entire fleet. Using a cost effectiveness approach, analyze the overall Department fleet needs with a goal of reducing or maintaining the vehicle fleet accordingly.**

Cooperative Policing Initiatives Information

- Consolidation often faces political and legal problems, as well as issues regarding labor agreements and community opposition. In order to be successful, consolidation requires increased cooperation and leadership at the local level.
- Advantages of Police Consolidation:
 - Improves the effectiveness of the services delivered.
 - Reduces the cost through efficiencies.
 - Improves the amount and quality of services delivered.
 - Eliminates the need for part-time officers, resulting in the delivery of service provided by full-time professionals.
 - Improves recruitment, training, and career development of police personnel.
 - Enhances liability control.
- Disadvantages of Police Consolidation
 - Possible increase in cost.
 - Loss of local control over the amount and level of services delivered.
 - Possible loss of “personalized” services.
 - Decreased upward mobility for officers.
- Exeter Township has a professional and effective Police Department that could be instrumental in becoming a consolidated department with the cooperation of one or more neighboring municipalities. Cooperative arrangements have proven to be quite successful and cost effective when properly arranged. Misunderstandings over cost have led to the failure of police cooperative agreements throughout the state. In many cases, communities underestimate actual police department expenditures so that cooperative agreements incorrectly appear higher than current expenses. Successful arrangements have a proven record of being effective and less costly for the municipalities and residents they serve.
- **Township officials should discuss whether they are interested in pursuing a cooperative arrangement with one or more neighboring municipalities for police services. If a decision is made to move forward, the Police Chief should network with adjoining municipal chiefs of police to discover whether there is genuine**

interest for a cooperative arrangement. Start small with one or two municipalities at most in order to improve the opportunity for a successful outcome.

Governing Body/Police Department Relationship

- There is no specific person/position on the Township Board of Supervisors with the sole authority and responsibility to govern the Police Department. The Chief works with and reports to the Board of Supervisors as he fulfills his responsibilities, and he keeps all five Supervisors informed on matters of mutual concern and/or interest.
- There appears to be a healthy and positive relationship between the governing body and Police Department personnel. Collective bargaining appears to be the current issue as this is a bargaining year for a new labor agreement. However, there appears to be a history of cooperation and agreement as there has only been one arbitration in 27 years. In addition, there is little, if any, history of grievances with regard to the labor agreement. The Chief attends regularly scheduled Board meetings.
- **To strengthen the governing body/Police Department relationship, Township officials should consider working together to develop a plan to meet the future financial and operational challenges facing the Township and Police Department.**

Streets, Parks and Sewer Departments — below is a summary of recommendations included in the **Streets, Parks and Sewer Departments Management Review** located in the Appendix. Please see the full text of the review for additional information.

- Currently, the three public works areas are run by separate Superintendents who report directly to the Township Manager. Interviews with the current staff, comparisons with similar communities, and a review of duties and responsibilities versus the number of employees indicate the Township runs a lean operation
- **Create a new position titled Director of Public Works.** This position would report directly to the Township Manager and would manage the three primary functions of Streets, Parks and Waste Water. Each of the Superintendents of these functions would report directly to the Director of Public Works and not to the Township Manager. This would further relieve pressure on the Township Manager who would have one direct public works report instead of three.

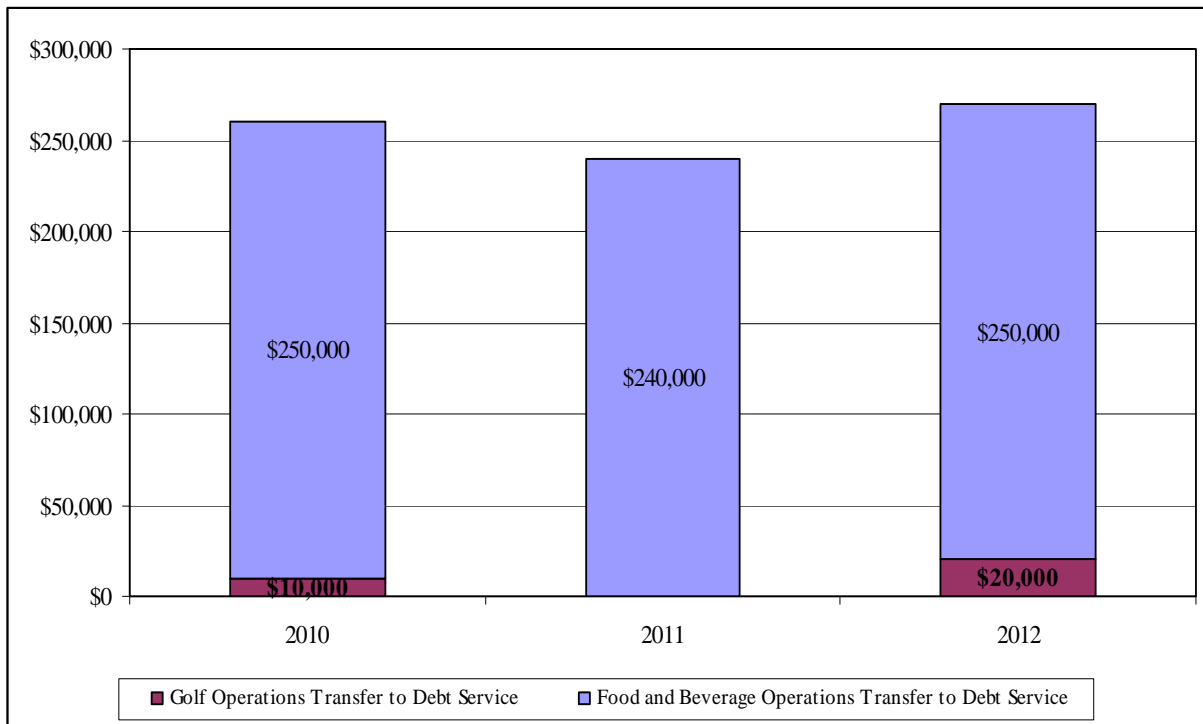
- The Township would benefit from the position by bringing an **experienced public works professional** on board who would have the broad-based knowledge to handle daily issues, budgeting and future planning for all facets of public works including streets, storm water, sewers, utilities, vehicle maintenance, etc. Ideally, the individual would hold credentials such as membership in the American Public Works Association and would have the expertise to understand and implement new public works techniques and products. The new Public Works Director would be charged with melding the three separate groups together as one department in order to increase cooperation.
- In the alternative, the Township could seek an individual with appropriate public works skills when hiring the Administrative Services Manager. In the latter case, the Township might then shift one or more of the skills now targeted for the Administrative Services Manager to an existing Township administrative position that is open due to a retirement.
- Costs associated with creating a new position could be mitigated by spreading it between the General Fund and the Sewer Fund. Other revenue enhancements that could be considered are a separate Solid Waste/Recycling Fee, thus creating a Solid Waste Enterprise Fund, and possibly creating a separate Storm Sewer Fund or Authority.
- **Reorganize the engineering and code services to have a primary person in charge, with that individual reporting directly to the Director of Public Works.** One suggested title would be Manager (or Superintendent) of Engineering and Building Services.

Reading Country Club — below is a summary of recommendations included in the **Reading Country Club Management Review** located in the Appendix. Please see the full text of the review for additional information.

- The Township purchased the Reading Country Club (RCC) in 2005 for \$11.8 million. Currently, the public golf course operations and food and beverage management are handled by separate contractors. Golf course operations are primarily funded through green fees, annual membership fees and pro shop sales. Food and beverage operations are primarily funded through food and beverage sales at the RCC restaurant and banquet revenue from weddings and other events.

- The RCC was benchmarked against four public golf course — Berkleigh Golf Club, Raven’s Claw Golf Club, Golden Oaks Golf Club and Galen Hall Golf Course — and three private golf courses — Moselem Springs Golf Club, Heidelberg Country Club and the Berkshire County Club in the greater Reading area.
- Since 2010, the combined golf, food, and beverage operations of the RCC have generated between \$240,000 and \$250,000 per year in excess operating revenue. That revenue is transferred annually to the township in order to support its debt service payments from the 2005 RCC purchase. It is important to note that this transfer represents only a portion of the city’s annual debt service payment for the course, which is projected to be approximately \$874,000 in 2013. The remainder of the debt service is funded through a 0.55 mill property tax levy, which generates nearly \$700,000 per year.
- The majority of the excess operating revenues that are transferred to the township are generated through the food and beverage operation. In 2013, the township was anticipating a \$250,000 transfer from food and beverage operation. The RCC golf operation essentially breaks even, though in some years it has generated a minimal amount of excess operating revenues between \$10,000 and \$20,000. In 2013, the township anticipated a transfer of approximately \$20,000 from the golf side of the RCC operation. This is partly due to a warmer than average spring, which increased spring play. Capital repairs and equipment replacement are the responsibility of the township, according to the existing contract. As a result, those costs are not reflected in the figures summarized above. (See Table 7-7.)

Table 7-7
 EXETER TOWNSHIP
Reading Country Club Operations Transfers to Township Debt Service
 2010-2012



- **Revise the current RCC membership structure from a single seven-day membership option to a two-tiered, five-day membership and a premium seven-day membership** in order to increase golf membership and membership revenue.
- The new membership options would maximize the use of the course during weekdays, which tend to be the more underutilized periods on a course, while maximizing the number of tee times available for public play on the weekends. This adjustment in membership strategy would also bring the RCC in line with its competitors, each of which offer both five-day and seven-day membership options.
- **Develop a marketing plan to increase the frequency of public rounds played in order to generate additional revenue.**
- The number of individual rounds of golf played at the Reading Country Club has increased six percent from 2009 to 2012; however, the number of rounds played by the general public has remained static. Individual, a la carte rounds by members of the public represent the majority of the Reading Country Club’s annual business. As of October

2013, public rounds made up 82 percent of all rounds played on the course. Public green fee revenue also represents the greatest share of total golf operations revenue. Given that the majority of golf operations revenue is derived from non-membership green fees, focused marketing designed to increase the frequency of non-member rounds played is critical.

- **RCC management should develop a marketing plan that focuses on increasing the frequency of the most lucrative types of rounds, with specific emphasis on increasing weekend rounds with a cart rental and tournament rounds.** This marketing plan should define specific stages for increasing the number of public rounds played and a post implementation evaluation process that includes review with the Township Manager.
- **Create a 24 hour notice reservation cancellation fee to provide additional revenue and improved tee time schedule integrity.**
- From 2009 to 2013, the RCC experienced a cancellation rate of approximately one-third of all reservations. This rate has been increasing. Currently, the RCC does not charge a fee for cancelled tee time reservations. Typically, cancellation fees are applied as a means of discouraging casual reservations that patrons are not intent on keeping. Casual reservations can cause a course's schedule to appear artificially full, and will result in both less revenue for the course and fewer options for golfers who might be available to play at reserved times.
- **Develop a rolling five-year replacement schedule for golf course maintenance equipment to increase budgeting accuracy.** The schedule will allow the Township to project potential expenditures beyond the current budget year and develop longer-term plans to fund liabilities.
- **Initiate an RFP processes for the Food and Beverage Contract to maximize revenue.** An RFP process will generate competition and ensure that the Township is getting the best value available on the market. On the golf side, it would be difficult for the Township to identify a golf management company that would be willing to bid on golf operations alone. The Township may then be required to contract with one provider for both golf operations and food and beverage management, thereby losing the advantages gained through contract separation and specialization.

- While the above recommendations offer many opportunities to maximize the RCC's profit, it is important to consider these recommendations within the context of the broader debt service requirements resulting from the purchase of the golf course.
- In 2025, debt service payments for the RCC are scheduled to increase to \$1.2 million, a growth of approximately \$327,000 over the Township's 2013 obligation. During the same period, the Township's General Fund General Obligation Debt will be paid off, mitigating the General Fund impact of the increase in RCC debt service payments. However, if the Township relies on General Fund General Obligation debt savings to fund the RCC debt service, it will not have the capacity to issue additional debt service to cover other infrastructure needs (e.g., transportation infrastructure, township facilities, etc.) without raising the dedicated debt service millage. Moreover, it is important that the RCC, as an enterprise fund operation, be fully self-sufficient, which means that the revenues generated through the RCC must fully cover RCC expenses, including debt service.
- Currently, the Township has not identified a revenue source to fund the RCC debt service increase. It is unlikely that increases generated by the above revenue enhancements will be sufficient to cover the additional debt service expense and potential capital facility and equipment needs.
- The Township is then left with three options: 1) increase the debt service tax millage to cover the additional debt service expense; 2) supplement the RCC debt service expenditure with General Fund resources, or; 3) sell the RCC property and liquidate the remaining debt owed for the golf course.
- Though the first two options will remain available to the Township, both have distinct disadvantages. Tax increases are never easy to enact and funding golf course operations with General Fund resources would have a detrimental impact on the Township services. By selling the golf course, the Township could also shift the amount of the debt service millage to the General Fund millage, thus resulting in additional revenue for the General Fund without increasing taxes.
- Given these negative characteristics, **it is prudent for the Township to begin evaluating what options may exist to sell the golf course property to a private owner so that an informed policy decision can be made.**

CHAPTER 8 MULTI-YEAR PLAN ADOPTION AND IMPLEMENTATION

Introduction

The Pennsylvania Economy League through the Early Intervention Program process has identified a series of short-term and long-term financial and managerial objectives that are designed to address the financial management and potential future fiscal difficulties of Exeter Township in order to avert an adverse impact on the health, safety and welfare of its residents. As noted in Chapter 7, the top priority is applying for Phase II Early Intervention Plan funding, which will be used by the Township to change from a modified cash basis of accounting to a system that follows Generally Accepted Accounting Principles (GAAP), conduct a feasibility study to assess development of a program-based budget, and evaluate options concerning provision of Township Emergency Medical Services and additional financial support request by the Exeter Township Fire Department. In terms of finances, the Township should begin discussions on whether Home Rule is seen as a viable option to alter current tax rates while also considering appropriate real estate tax increases as needed to balance the annual General Fund budget and maintain the current cash balance. Other key initiatives are hiring an Administrative Services Manager to bolster various administrative functions and evaluating the roles and responsibilities of the Board of Supervisors and Township Manager; reviewing and adjusting Police Department staffing; and enacting revenue enhancements for the Reading Country Club.

Public Input

In order to ensure proper input from the public concerning the Early Intervention Plan, the Albright College Center for Excellence in Local Government, a PEL team member, will conduct five to six public meetings prior to plan adoption that coordinate with each step of the proposal. A public presentation of the final report will also be held. Written reports will be compiled and presented to the Township outlining the results of each meeting. In addition, a survey will be conducted for public response.

The Township should also make the EIP report available to the public by posting it on the Exeter Township web site and placing copies on file at both the Township office and the Exeter Community Library.

Early Intervention Plan Initiatives

Phase II EIP Initiative

The Township desires to continue the EIP process through a Phase II EIP that will assist with implementation of Phase I EIP objectives as well as study additional concerns. The goals of the Phase II EIP are to defray the expenses associated with changing the Township from a modified cash basis of accounting to use of GAAP accounting, including hiring an accounting firm to assist with the process; undergoing a feasibility study to identify the specific processes and steps that are necessary to develop a program-based budget; exploring the possibility of providing additional funds that were requested by the Fire Department; and evaluating the options available to the Township for providing Emergency Medical Services.

Action Steps

1. Apply to the Department of Community and Economic Development for Phase II Early Intervention Plan funding.

Target Date: Immediately

Responsible Party: Township Manager; Board of Supervisors

Budget Impact: N/A

Revenue EIP Initiative

As noted in the observations, tax and fee revenue that Exeter had previously received from strong development has stagnated. PEL's projections indicate flat revenues for the foreseeable future with growing expenses, particularly in personnel, that will result in increasing annual deficits. Meanwhile, the Township's ability to raise revenue is somewhat limited in that it currently cannot increase either the EIT or the real estate transfer tax. Exeter should explore avenues that would allow it to increase revenues while keeping its cash balance relatively intact.

Action Steps

1. The Township should consider the possibility of becoming a Home Rule community in order to eliminate state maximums now imposed on EIT and real estate transfer taxes. If there is agreement, the Board of Supervisors could conceivably approve a Home Rule Charter question for inclusion on the 2014 General Election or 2015

Primary Election ballot with implementation of a Home Rule Charter targeted for January 2017.

Target Date: 2014

Responsible Party: Board of Supervisors

Budget Impact: Provide increased revenue through higher EIT and/or real estate transfer tax

2. Township officials should continue to consider raising property taxes as appropriate to eliminate annual General Fund deficits.

Target Date: 2015+ Budget Adoption

Responsible Party: Board of Supervisors

Budget Impact: Provide increased revenue

3. Carefully consider future use of the cash balance and work to maintain the current cash balance by eliminating future deficits through other means.

Target Date: 2015+ Budget Adoption

Responsible Party: Board of Supervisors

Budget Impact: Maintain GFOA recommendations of a dedicated fund balance equal to two to three months revenue and expenditures

4. Consider increasing the LST amount received by the Township from \$42 to \$47, thus reducing the Exeter Township School District share from \$10 to \$5.

Target Date: Prior to June 2014 or June 2015

Responsible Party: Board of Supervisors

Budget Impact: Provide increased revenue

5. By necessity, PEL's five-year projection assumptions do not increase fines, fees and charges for services beyond their current level. Given the projected operating deficits, municipal officials should examine the fee amounts charged in order to guarantee the Township is receiving an amount that, at a minimum, equals the provision and

administration of the services, taking into account expenses for personnel, supplies, etc.

Target Date: 2015

Responsible Party: Township Manager

Budget Impact: Match fees with expenses

6. Review with the Berks County Assessment Office the suitability of current exemptions from property taxes to guarantee, for example, that property not subject to taxation is not being used in a manner that should be subject to taxation.

Target Date: 2015

Responsible Party: Solicitor, Township Manager

Budget Impact: Increase revenue

Accounting EIP Initiative

Exeter Township currently uses a modified cash basis of accounting for its financial statements, which is not in conformance with GAAP and is increasingly inappropriate for a Township whose transactions, activities, multiple funds and budgets are financially complex. In addition, non-cash assets including receivables and capital assets net of depreciation, as well as liabilities such as debt and OPEB, are not included on the annual Statement of Net Position.

Action Steps

1. Township officials should switch from a modified cash system to GAAP basis of accounting. As noted above, the Township should fund costs associated with the change by applying for a Phase II EIP grant.

Target Date: 2014, planning; 2015, implementation

Responsible Party: Board of Supervisors; Township Manager

Budget Impact: Ongoing monitoring of revenues and expenditures

2. With the assistance of the Pennsylvania Economy League and the state Department of Community and Economic Development, the Township should issue a Request for

Accounting Service Proposal in order to hire an accounting firm to perform quarterly review and transaction recording.

Target Date: 2015

Responsible Party: Board of Supervisors, Township Manager

Budget Impact: Provide additional confirmation that assets and liabilities fall within audit assurance

3. Capital assets and long-term liabilities should be incorporated into government-wide financial statements to promote better understanding of the Township's financial position.

Target Date: 2015

Responsible Party: Board of Supervisors, Township Manager

Budget Impact: Ensure proper financial monitoring

4. The 2012 Township audit contained a qualified opinion because Exeter did not include financial statements for the Exeter Township Berks County Authority (Sewer Authority) and the Exeter Community Library. The sewer authority and library are considered component units of the Township due to the fact that Exeter is financially accountable for both entities. The Township should discuss the situation with its auditors to determine the most appropriate way to include the two component units.

Target Date: 2015

Responsible Party: Township Manager, Board of Supervisors

Budget Impact: Eliminate qualified opinion on Township audit

Administration EIP Initiatives

Recommendations for the Administration are designed to gain efficiency and effectiveness by thoughtfully and systematically modifying the structure of the Township Administration. Changes are necessary in order to handle the increasing complexities of providing services to a community that has grown over time, establish clear duties and responsibilities for various roles, and provide budget and planning tools that will offer transparency and clear vision for Township officials and the general public. Additional details

for implementing each of these Action Steps can be found in the Administration Management Review located in the Appendix.

Action Steps

1. The Township should review the roles and responsibilities of the Board of Supervisors and the Township Manager to place a greater focus on priorities and increase efficiencies. The review should assess the roles of the Township Manager and Board of Supervisors as delineated in the Pennsylvania Second Class Township Code, as they pertain to the everyday administration of the Township, and as outlined in the current Township Manager ordinance.

Target Date: 2014

Responsible Party: Board of Supervisors

Budget Impact: N/A

2. Create an Administrative Services Manager position and reduce the Township Manager span of control to improve the division of labor and provide increased executive capacity. See the Administration Management Review in the Appendix for recommended structural changes under the new position as well as discussions in Chapter 7 regarding a potential Public Works Director. Since this position is critical to the implementation of other recommendations, planning for this position should begin in 2014 with the actual hiring prioritized for the 2015 budget.

Target Date: Position planning, 2014; position hiring, 2015

Responsible Party: Township Manager; Board of Supervisors

Budget Impact: Expenditure increase

3. Enhance the Township's financial and human resources management capabilities to produce effectiveness, efficiency and accountability. The Township currently has no true human resources professional and there is an increased need for financial expertise. Hiring an Administrative Services Manager is central to accomplishing this initiative. See the Administration Management Review in the Appendix for details on proposed qualifications for this position.

Target Date: Complete in conjunction with Administrative Action Step 2, create/hire Administrative Services Manager

Responsible Party: Township Manager

Budget Impact: Expenditure increase from hiring; improved fiscal oversight

4. Centralize procurement and contract administration with the Administration in order to increase efficiency. Since this function would be centralized and managed by the Administrative Services Manager, the recommendation should be implemented when the Manager is hired.

Target Date: Complete in conjunction with Administrative Action Step 2, create/hire Administrative Services Manager

Responsible Party: Administrative Services Manager

Budget Impact: Reduce purchasing expenditures

5. Automate manual processes such as payroll and utility billing in order to gain increased efficiency. The Township should consider contracting a provider, which will lower the possibility of errors and free administrative staff from this time consuming clerical function.

Target Date: 2014

Responsible Party: Township Manager

Budget Impact: Expenditure increase; better allocation of resources

6. Create an organization-wide strategic plan to place a greater focus on priorities and increase efficiency. Strategic goals established by the Board of Supervisors guide the Township's budget decisions, allocation of resources such as staff time, and overall direction of each Township department.

Target Date: 2015

Responsible Party: Board of Supervisors

Budget Impact: Better allocation of resources; improved budgeting

7. Complete a program identification process and evaluate the feasibility of developing a program-based budget process to improve organizational efficiency and strategic capability. This action step should be done in conjunction with action steps concerning obtaining a Phase II Early Intervention Plan grant from the state Department of Community and Economic Development.

Target Date: 2015

Responsible Party: Board of Supervisors

Budget Impact: Better allocation of resources; improved budgeting

8. Implement a performance management system to increase effectiveness, efficiency and accountability. This action step will include goal setting, creating a strategic plan and measuring performance for each major function in the Township.

Target Date: 2015+

Responsible Party: Board of Supervisors

Budget Impact: Better allocation of resources; improved budgeting

Police Department EIP Initiatives

PEL recommends immediate action on steps to improve the staffing and performance evaluation of the Police Department's compliment of sworn officers. Also requiring immediate attention are recommendations concerning the 911 dispatching fee and the departmental budgeting process. The final immediate concern is reporting to the public on relevant crime and personnel activity. Other recommendations listed in Chapter 7 are more of a long-term nature. Additional details for implementing each of these priority Action Steps, as well as secondary recommendations not outlined in Chapter 7, can be found in the Police Department Management Review located in the Appendix.

Short-Term Action Steps

1. Evaluate the current manpower limitations in connection with the current Organizational Chart and assess the ability to provide the services depicted. Develop a plan to adjust the current manpower to meet the mission of the organization or

adjust the organizational chart/mission to meet the limitations of the current available manpower. Consider filling the Lieutenant position.

Target Date: Evaluation and planning, 2014; hiring, 2015

Responsible Party: Police Chief; Board of Supervisors

Budget Impact: Expenditure increase if position hired

2. The department should develop and implement an annual written performance evaluation system and probationary evaluation system for all officers and civilian employees. The system should provide an analysis of how well the individuals in those positions perform various tasks as identified by the department. Additional information for implementing this step is in the Police Department Management Review in the Appendix.

Target Date: 2014

Responsible Party: Police Chief; Township Manager; Board of Supervisors

Budget Impact: N/A

3. Explore options to decrease 911 dispatching fee. The 911 dispatching provided by Berks County is a necessary and vital service. However, the 18 percent annual increase for the next several years that was enacted by the County to compensate for reduced state revenue has a considerable fiscal impact on Exeter's finances. The Township should consider joining with the County Commissioners Association of Pennsylvania (CCAP) and Berks County to assist with legislative efforts to address this situation since it is of statewide concern.

Target Date: 2014

Responsible Party: Board of Supervisors

Budget Impact: Decrease Expenditures

4. The Township, in consultation with the Police Chief, should consider amending the police line item in the budget to include all costs directly attributable to the operation of the Police Department. The departmental budget currently does not include approximately a dozen items that are Police Department expenses.

Target Date: 2014

Responsible Party: Police Chief; Township Manager; Board of Supervisors

Budget Impact: Improved budgeting

5. Create, publish and deliver a Departmental annual report of relevant crime and personnel activity to Township officials.

Target Date: 2014

Responsible Party: Police Chief

Budget Impact: N/A

Long-Term Action Steps

6. Include statistical information on crimes being investigated on departmental monthly and annual reports; publish a summary of the number, type and disposition of complaints against officers in the department's annual report; use the "rule of three" for promotions; adopt and practice succession planning; conduct a survey among area municipalities to determine the average municipal police service percentage cost and how the Township compares; consider pursuing consolidation; develop a plan to meet the future and operational challenges facing the Police Department; review, consider and implement other recommendations as listed in the Police Department Management Review.

Target Date: 2015+

Responsible Party: Police Chief

Budget Impact: N/A

Public Works EIP Initiatives

Recommendations for public works are intended to improve operational management and efficiency. Additional details can be found in the Streets, Parks and Sewer Departments Review of Operations located in the Appendix.

Action Steps

1. Create a new position titled Director of Public Works. This position would report directly to the Township Manager and would manage the three primary functions of

Streets, Parks and Waste Water. Each of the Superintendents of these functions would report directly to the Director of Public Works and not to the Township Manager. In the alternative, ascribe those responsibilities to the new Administrative Services Director. See Chapter 7 recommendations under Administration and Public Works for further discussion.

Target Date: 2015

Responsible Party: Board of Supervisors

Budget Impact: Expenditure increase

2. Reorganize the engineering and code services to have a primary person in charge, with that individual reporting directly to the Director of Public Works. One suggested title would be Manager (or Superintendent) of Engineering and Building Services.

Target Date: 2015

Responsible Party: Board of Supervisors

Budget Impact: N/A

Reading Country Club EIP Initiatives

Daily operations at the Reading Country Club are funded by fees and sales related to the golf course and the restaurant. In addition, approximately \$250,000 from restaurant operations goes towards payment of the Township's annual debt service for purchase of the RCC, with the bulk of the approximately \$874,000 annual debt service paid through a Township dedicated millage of 0.55 mills. The golf course essentially breaks even; although it has contributed \$10,000 to \$20,000 to debt service in recent years. However, there is no dedicated revenue stream for capital repairs and equipment replacement, which are the Township's responsibility. In addition, in future years the debt service will exceed the amount currently collected by the debt service millage and the profits from the restaurant. Clearly, additional revenue is needed.

Action Steps

1. Revise the current RCC membership structure from a single seven-day membership option to a two-tiered, five-day membership and a premium seven-day membership in

order to increase golf membership and membership revenue. Please see Reading Country Club Management Review in the Appendix for additional details and information.

Target Date: 2014

Responsible Party: Director of Golf

Budget Impact: Increased revenue

2. RCC management should develop a marketing plan that focuses on increasing the frequency of the most lucrative types of rounds (public), with specific emphasis on increasing weekend rounds with a cart rental and tournament rounds. Please see Reading Country Club Management Review in the Appendix for additional details and information.

Target Date: 2014

Responsible Party: Director of Golf, Township Manager

Budget Impact: Increased revenue

3. Create 24 hour notice reservation cancellation fee to provide additional revenue and improved tee time schedule integrity. Please see Reading Country Club Management Review in the Appendix for additional details and information.

Target Date: 2014

Responsible Party: Director of Golf, Township Manager

Budget Impact: Increased revenue

4. Initiate RFP processes for the Food and Beverage Contract to maximize revenue. An RFP process will generate competition and ensure that the Township is getting the best value available on the market.

Target Date: 2014

Responsible Party: Director of Golf, Township Manager

Budget Impact: Increased revenue

5. Develop a rolling five-year replacement schedule for golf course maintenance equipment to increase budgeting accuracy. The schedule will allow the Township to project potential

expenditures beyond the current budget year and develop longer-term plans to fund liabilities. Please see Reading Country Club Management Review in the Appendix for additional details and information.

Target Date: 2015

Responsible Party: Director of Golf, Golf Superintendent

Budget Impact: Increased budget accuracy

6. Begin to evaluate potential options to sell the golf course property to a private owner. The evaluation should be fully explored prior to the large increase in debt service. Given current market conditions (low interest rates) it might be prudent to start now to market to developers. By selling the golf course, the Township could also shift the amount of the debt service millage to the General Fund millage, thus resulting in additional revenue for the General Fund without increasing taxes. Please see Reading Country Club Management Review in the Appendix for additional details and information.

Target Date: 2015/2016

Responsible Party: Township Manager, Board of Supervisors

Budget Impact: Elimination of debt

Historical and Projected Financial Tables

ACCOUNT		2008	2009	2010	2011	2012
NUMBER	DESCRIPTION	Actual	Actual	Actual	Actual	Actual
01-301-100	Real Estate Taxes	\$1,392,657	\$1,760,486	\$2,053,403	\$2,051,381	\$2,036,849
01-301-101	Real Estate Taxes Pr Yr	13,518	13,630	14,134	18,708	13,005
01-301-400	Real Estate-Tax Claim	36,905	64,564	80,959	105,789	96,035
	Total Real Estate Taxes	1,443,080	1,838,680	2,148,496	2,175,878	2,145,889
01-310-100	Per Capita Taxes	62,872	62,804	61,629	61,932	60,955
01-310-101	Per Capita Taxes Pr Yr	7,568	8,402	8,917	10,064	8,730
01-310-200	Real Estate Transfer Taxes	605,237	364,713	507,924	298,519	253,189
01-310-300	Earned Income Taxes	3,086,099	3,302,419	3,168,652	3,266,915	3,021,920
01-310-410	Local Services Tax	190,661	228,893	217,590	235,900	239,187
01-310-411	Local Services Tax Pr Yr	24,817	76,619	81,875	75,799	75,763
01-310-800	Business Privilege Taxes	319,747	319,783	368,771	390,921	502,868
01-310-801	Business Privilege Taxes-Pr Yr	5,882	26,096	94,077	17,596	20,937
	Total Act 511 Taxes	4,302,885	4,389,729	4,509,435	4,357,646	4,183,549
01-319-100	Penalties/Interest-Taxes	3,579	3,450	4,110	4,239	3,404
01-319-101	Penalties/Interest-Taxes Pr Yr	1,821	1,944	1,957	2,421	1,860
	Total Penalties & Interest	5,400	5,394	6,068	6,660	5,264
01-321-100	Business Priv Licenses	3,230	3,795	3,730	3,275	3,210
01-321-600	Plumbing Licenses	3,485	5,390	4,945	3,140	4,010
01-321-610	Soliciting Permits	525	1,400	1,250	850	550
01-321-800	Cable TV Franchise	206,237	274,754	293,827	387,195	346,889
01-321-850	Tower Franchise Fee	0	0	0	0	0
01-321-910	Road Occupancy Permits	24,860	9,400	14,268	15,250	8,100
	Total Licenses & Permits	238,337	294,739	318,020	409,710	362,759

ACCOUNT		2008	2009	2010	2011	2012
NUMBER	DESCRIPTION	Actual	Actual	Actual	Actual	Actual
01-331-110	Veh Code-State Fines	39,689	37,674	37,948	41,547	42,277
01-331-120	District Justice Fines	133,474	139,598	131,292	84,897	89,846
01-331-130	Police Dept Fines	965	2,065	480	400	1,485
01-331-140	False Alarm Fees	2,150	300	250	800	0
	Total Fines & Forfeits	176,277	179,637	169,971	127,643	133,608
01-340-010	Interest	61,072	37,496	43,688	52,592	18,266
01-342-400	Rental Income	0	0	25,384	18,850	22,829
	Total Interest, Rents & Royalties	61,072	37,496	69,072	71,442	41,095
01-351-021	DCED Grants	15,000	20,000	0	0	266
01-351-024	Police Equip Grant	82,700	60,000	57,000	70,000	70,000
01-351-026	FEMA Reimb	0	0	0	0	0
01-351-028	Police Vest Grant	2,171	6,565	2,927	2,100	434
01-351-090	CDBG Funding	0	0	0	0	0
01-351-130	Edward Byrne JAG Grant	0	13,818	0	0	0
01-354-040	State Grant - Sewage Enfocmnt	825	1,812	0	1,459	1,597
01-354-100	PENN Prime Grant	0	815	0	0	0
01-354-300	Tree Vitalize Grant	0	0	0	12,460	2,540
01-355-010	Public Utility Realty Tax	8,160	9,741	10,639	10,852	10,885
01-355-040	County State Aid	0	0	0	0	0
01-355-080	Alcoholic Beverage Tax	5,650	5,625	5,625	6,525	5,925
01-355-090	State 904 Grant - Recycling	131,268	113,486	113,465	130,849	83,897
01-355-095	State 902 Grant - Recycling	35,634	0	148,250	16,600	83,299
01-355-120	Foreign Causalty Insurance Tax	328,192	322,185	339,658	582,029	364,763
01-355-130	Foreign Fire Insurance Tax	166,862	151,561	170,592	289,127	162,867
01-359-000	Indust Dev Auth ILO	0	1,176	1,499	866	2,093
	Total Intergovernmental	776,461	706,786	849,654	1,122,867	788,567

ACCOUNT NUMBER	DESCRIPTION	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual
01-361-240	Liquor License Transfers	1,000	0	0	0	0
01-361-300	Subdivision Fees	68,288	110,696	53,074	0	0
01-361-330	Zoning Permit Fees	9,516	18,550	18,550	30,950	13,200
01-361-350	UCC Appeals	0	0	0	0	0
01-361-400	Fire System Plan Reviews	6,772	32,922	10,075	10,856	3,155
01-361-420	Fitness Certificate/Fire	3,400	4,600	2,900	1,400	2,300
01-361-500	Sale of Publications	2,727	584	872	373	1,185
01-362-110	Police Report Copies	9,933	8,546	7,677	8,335	8,307
01-362-140	Anti Drug PCCD Grant/DARE	12,717	9,173	0	0	0
01-362-150	Police Service - St Lawrence	113,587	117,694	0	0	0
01-362-160	K-9 Usage fees	0	0	0	0	0
01-362-180	Dare Contributions	0	0	0	1,550	1,500
01-362-190	Fire Police Contributions	2,930	3,050	5,100	2,200	2,063
01-362-210	Fire Reports	75	55	0	15	0
01-362-212	Alarm Permit Fees	1,215	1,055	300	1,115	240
01-362-215	Burning Permits	3,690	2,935	2,465	3,060	2,960
01-362-220	Blasting/Tank/Fireworks Permits	3,200	1,100	2,000	2,750	2,900
01-362-410	Building Permits	333,045	117,154	107,241	77,625	61,446
01-362-412	Permit Issuance Fee	3,079	2,622	2,364	2,675	2,407
01-362-415	Labor & Industry Fee	517	297	196	28	529
01-362-420	Occupancy Permits	8,700	7,600	5,350	5,950	4,350
01-362-430	Plumbing Permits	37,620	78,482	170,030	52,085	47,078
01-362-440	On Lot Sewage Permits	5,903	4,744	3,345	1,884	5,698
01-362-450	Trash Truck Permits	0	0	0	0	0
01-362-500	Subdivision Inspections	132,886	205,777	115,397	0	0
01-362-510	Engineering Review & Insp.	0	0	0	94,685	88,226
01-363-500	Contracted Highway Work	3,386	0	35,622	459	2,780
01-363-501	Contracted Snow Removal	612	0	558	544	518
01-363-505	Contracted Mowing - PennDOT	4,575	4,575	2,288	5,042	2,521

Appendix
General Fund Revenues
Actual 2008 - 2012

ACCOUNT NUMBER	DESCRIPTION	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual
01-363-510	Contracted Snow Rem-PennDOT	21,829	22,113	22,666	0	0
01-363-515	Mulch by Scoop	430	650	330	340	6,827
01-363-520	Sale of Mulch	0	0	0	0	0
01-364-300	Solid Waste Collection	142,823	157,877	151,581	153,895	152,717
01-364-500	Sale of Recycling Material	24,825	22,357	13,980	15,234	35,355
01-364-600	Landfill Host Fees	687,900	464,000	701,969	525,000	500,000
01-364-900	Brush/Grass Recycling	13,790	9,699	5,547	17,487	16,166
01-367-000	Park & Rec User Fees	28,592	19,811	27,741	24,642	29,038
01-367-025	Summer Sports Programs	0	0	0	11,252	9,625
01-367-050	Community Days	7,400	8,000	9,500	6,500	10,503
01-367-100	Sponsorships/Advertising	13,455	18,506	16,530	18,740	19,840
01-367-150	Advertising - Community Map	12,000	0	8,625	0	0
01-367-160	Advertising - Business Directory	0	0	0	6,620	1,150
01-367-200	Special Events-Park	18,348	13,756	19,874	24,591	20,530
01-367-500	Facilities Rental Income	17,740	22,157	23,120	25,522	24,815
01-367-600	Youth Group Contribution	21,415	23,312	22,798	23,479	23,620
01-376-200	EDAC Event Fees	0	0	0	0	181
	Total Departmental Earnings	1,779,921	1,514,447	1,569,665	1,156,883	1,103,731

ACCOUNT NUMBER	DESCRIPTION	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual
01-380-100	Miscellaneous - General	304,536	2,434	798	4,427	461
01-380-110	Bank Chg Reimb	175	265	200	195	125
01-380-120	Revenue Share - Commerce Bank	0	0	1,265	13,493	10,898
01-380-140	Developer Contributions	125,000	0	0	0	0
01-380-200	Workmens Comp Reimb	3,589	11,443	36,028	52,267	41,387
01-387-100	Donations - Police	0	570	13,005	25	0
01-387-110	Walmart Grant	0	3,000	0	0	0
01-387-120	Lowe's Grant	0	1,000	0	0	0
01-387-150	Donations - DARE	0	1,000	0	0	445
01-387-200	Donations - Unrestricted	0	0	0	600	0
	Total Special Assessments	433,300	19,712	51,296	71,007	53,316
01-391-100	Sale of Assets - General	7,773	6,658	6,370	2,291	11,489
01-392-000	Transfer from RCC operations	0	0	0	0	0
01-392-031	Transfer from Library Capital Fund	0	80,000	0	0	0
01-392-060	Transfer from K-9	0	5,000	4,449	1,455	1,814
01-392-080	Transfer from Sewer	15,000	20,000	45,000	0	0
01-393-100	Bond Re-fi Revenue	11,822	0	0	0	0
01-394-000	Refunds - Pr Yr Expenses	63,560	136,654	243,429	209,436	186,424
	Total Other Financing Sources	98,155	248,312	299,249	213,182	199,727
	Total Revenue	\$9,314,887	\$9,234,931	\$9,990,925	\$9,712,919	\$9,017,504

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-400-113	General Government	WAGES - SUPERVISORS	14,355	10,890	14,470	13,318	15,528
01-400-161	General Government	FICA / MEDICARE	0	0	0	1,019	1,195
01-400-301	General Government	GENERAL EXPENSE - SUPER	914	666	2,323	1,584	1,395
		Total General Government	15,269	11,556	16,793	15,920	18,118
01-401-140	Administration	WAGES - ADMIN. STAFF	91,488	120,894	126,059	131,881	129,272
01-401-155	Administration	UNION HEALTH & WELFARE	0	0	0	18,378	19,189
01-401-157	Administration	HEALTH & HOSPITAL INSURANCE	0	0	0	16,562	16,589
01-401-158	Administration	LIFE INSURANCE	0	0	0	202	244
01-401-159	Administration	LT DISABILITY INSURANCE	0	0	0	107	131
01-401-161	Administration	FICA/MEDICARE	0	0	0	10,110	9,913
01-401-162	Administration	UNEMPLOYMENT COMP	0	0	0	182	414
01-401-164	Administration	NON-UNIFORMED PENSION	0	0	0	15,160	13,259
01-401-165	Administration	UNION PENSION	0	0	0	5,987	6,143
01-401-167	Administration	WORKER'S COMP INS	0	0	0	247	311
01-401-210	Administration	OFFICE SUPPLIES - ADMIN.	2,172	1,956	1,881	1,270	1,415
01-401-301	Administration	GENERAL EXPENSE - ADMIN.	16,798	16,145	22,564	14,779	26,643
01-401-302	Administration	TRAINING - ADMIN.	286	1,243	1,670	1,145	975
01-401-312	Administration	CONSULTING SERVICES	6,959	0	0	0	0
01-401-320	Administration	COMMUNICATIONS - ADMIN.	11,323	10,096	8,696	8,372	8,945
01-401-340	Administration	ADVERTISING/PRINTING	7,803	10,275	8,941	7,058	6,611
01-401-384	Administration	EQUIPMENT RENTAL - ADM.	262	390	390	390	504
01-401-420	Administration	DUES/SUBSCRIPTIONS/PUBL	3,404	3,947	3,935	3,979	5,398
01-401-430	Administration	PROPERTY TAXES	469	2,893	1,539	367	0
01-401-700	Administration	CAPITAL PURCHASE - ADM.	408	17,206	15,368	7,605	215
		Total Administration	141,372	185,045	191,044	243,781	246,171
01-402-311	Finance	AUDITING SERVICES - GEN	13,150	11,715	12,818	12,095	11,250
01-402-316	Finance	CONSULTING SERVICES	8,066	7,000	14,960	13,000	875
01-402-317	Finance	BANK CHARGES - GENERAL	85	140	94	0	0
		Total Finance	21,301	18,855	27,872	25,095	12,125
01-403-114	Tax Collection	WAGES - TAX COLLECTOR	16,913	16,415	16,356	20,825	19,416
01-403-161	Tax Collection	FICA / MEDICARE	0	0	0	1,593	1,485
01-403-210	Tax Collection	SUPPLIES - TAX COLLECTOR	6,518	9,428	7,077	7,222	4,147
01-403-315	Tax Collection	EARNED INCOME TAX EXPENSE	0	0	1,849	0	0
01-403-316	Tax Collection	BUSINESS PRIVILEGE TAX	8,141	8,647	11,571	10,213	13,095
01-403-318	Tax Collection	LOCAL SERVICES TAX COLLEC	5,387	7,639	7,705	7,792	7,094
01-403-353	Tax Collection	BONDING - TAX COLLECTOR	798	672	718	718	718
		Total Tax Collection	37,757	42,801	45,277	48,363	45,955
01-404-314	Legal	LEGAL SERVICES - GENERAL	137,141	147,295	80,378	45,015	39,372
		Total Legal	137,141	147,295	80,378	45,015	39,372
01-407-200	Data Processing	DP SUPPLIES - ADMIN.	1,448	1,045	631	739	344
01-407-316	Data Processing	DP TECH SUPPORT - ADMIN.	3,878	3,466	3,674	4,042	4,266
01-407-374	Data Processing	DP EQUIP MAINT - ADMIN.	2,172	680	1,601	1,065	973
01-407-740	Data Processing	DP CAPITAL PURCH. - ADMIN.	13,109	6,821	487	273	460

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
		Total Data Processing	20,607	12,012	6,391	6,119	6,043
01-408-140	Engineering	WAGES - CLERICAL/ENG	55,514	58,119	59,004	58,659	59,127
01-408-155	Engineering	UNION HEALTH & WELFARE	0	0	0	17,643	18,431
01-408-161	Engineering	FICA / MEDICARE	0	0	0	4,488	4,523
01-408-162	Engineering	UNEMPLOYMENT COMP INS	0	0	0	96	216
01-408-165	Engineering	UNION PENSION	0	0	0	5,748	5,892
01-408-167	Engineering	WORKER'S COMP INS	0	0	0	154	192
01-408-240	Engineering	GENERAL SUPPLIES - ENG	2,108	2,227	1,848	1,398	1,426
01-408-301	Engineering	GENERAL EXPENSES - ENG	13,698	11,248	10,474	11,511	7,659
01-408-302	Engineering	MS4 CO-OP EXPENSES	0	0	0	0	0
01-408-313	Engineering	CONSULTING SERVICES	44,811	41,661	33,675	32,129	57,148
01-408-314	Engineering	SUBDIVISION INSPECTIONS	104,580	0	0	0	0
01-408-315	Engineering	ENGINEERING REVIEWS & INSPECTION	0	285,194	138,238	86,673	66,519
01-408-700	Engineering	CAPITAL PURCHASE - ENG	675	0	0	2,409	0
		Total Engineering	221,386	398,448	243,239	220,907	221,132
01-409-140	Building	WAGES - BUILDING MAINT.	20,764	23,217	24,631	23,705	21,341
01-409-155	Building	UNION HEALTH & WELFARE	0	0	0	7,351	7,674
01-409-161	Building	FICA / MEDICARE	0	0	0	1,813	1,759
01-409-162	Building	UNEMPLOYMENT COMP INS	0	0	0	44	94
01-409-165	Building	UNION PENSION	0	0	0	2,395	2,455
01-409-167	Building	WORKER'S COMP INS	0	0	0	787	989
01-409-200	Building	SUPPLIES - BUILDING	1,420	903	819	1,336	190
01-409-360	Building	UTILITIES - BUILDING	32,091	30,625	34,664	44,820	38,434
01-409-370	Building	MAINT & REPAIRS - BLDG.	21,018	20,480	10,065	24,482	19,839
01-409-375	Building	MAINT & REPAIRS - RCC	0	0	0	21,160	17,107
01-409-440	Building	TRASH COLLECTION	11,777	11,548	11,237	5,134	7,149
01-409-450	Building	CONTRACTED SERVICES - BLDG	1,598	1,938	2,402	1,216	1,872
01-409-720	Building	MAJOR IMPROVEMENTS - B	5,713	0	0	0	0
01-409-750	Building	MINOR EQUIPMENT - BLDG.	4,423	0	0	0	0
		Total Building	98,802	88,711	83,818	134,245	118,902

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-410-122	Police	WAGES - CHIEF	87,372	91,733	95,137	98,903	99,999
01-410-130	Police	WAGES - LT & SGTS	423,778	478,555	507,427	487,290	509,495
01-410-140	Police	WAGES - PATROLMEN	1,829,415	1,937,993	1,740,073	1,743,794	1,852,602
01-410-141	Police	WAGES - VEH MAINT	9,282	10,385	13,945	16,005	13,654
01-410-144	Police	WAGES - CLERICAL/POLICE	121,148	136,732	138,049	138,809	123,232
01-410-155	Police	UNION HEALTH & WELFARE	0	0	0	44,108	45,959
01-410-157	Police	HEALTH & HOSPITAL INS	0	0	0	749,388	757,693
01-410-158	Police	LIFE INSURANCE	0	0	0	6,422	7,934
01-410-159	Police	LT DISABILITY INSURANCE	0	0	0	3,108	3,886
01-410-161	Police	FICA / MEDICARE	0	0	0	48,537	49,947
01-410-162	Police	UNEMPLOYMENT COMP INS	0	0	0	2,654	5,959
01-410-163	Police	POLICE PENSION	0	0	0	447,195	387,491
01-410-165	Police	UNION PENSION	0	0	0	14,370	14,730
01-483-100	Police	POLICE PENSION	243,966	254,354	268,564	0	0
01-483-105	Police	POLICE PENSION - FORMER VESTED	0	2,471	618	0	0
01-410-167	Police	WORKER'S COMP INS	0	0	0	67,607	78,528
01-410-183	Police	WAGES - POLICE OVERTIME	263,150	273,721	304,056	248,736	224,470
01-410-184	Police	WAGES - POL HOLIDAY OT	0	0	0	0	0
01-410-185	Police	SCHOOL CROSSING GUARD	1,420	1,586	1,589	1,684	668
01-410-191	Police	UNIFORM MAINTENANCE - PO	5,588	6,326	5,521	3,148	3,452
01-410-200	Police	DP SUPPLIES - POLICE	3,033	4,013	3,171	2,463	1,664
01-410-220	Police	OPERATING SUPPLIES - POL	23,217	12,426	10,249	6,022	5,491
01-410-221	Police	DARE EXPENSES	0	1,381	2,039	2,347	1,964
01-410-223	Police	FIREARMS EXPENSE	30,494	13,119	12,179	23,815	12,137
01-410-225	Police	K-9 OFFICER EXPENSES	33,926	13,483	16,034	12,996	14,922
01-410-227	Police	TRAFFIC UNIT EXPENSE	18,426	11,116	7,766	11,025	4,963
01-410-231	Police	VEHICLE FUEL/OIL - POLICE	92,536	55,107	65,175	82,089	87,577
01-410-238	Police	UNIFORM PURCHASE - POLICE	23,326	22,351	21,694	25,139	13,388
01-410-239	Police	BULLETPROOF VEST PROGRAM	0	14,071	6,563	5,285	1,736
01-410-251	Police	VEHICLE MAINT. PARTS	19,543	24,272	28,763	22,923	21,717
01-410-252	Police	VEHICLE MAINT./TIRES	11,269	7,599	6,975	10,709	6,896
01-410-301	Police	GENERAL EXPENSE - POLICE	20,052	26,792	19,410	14,680	14,166
01-410-302	Police	TRAINING - POLICE	24,054	22,881	29,074	25,665	25,741
01-410-320	Police	COMMUNICATIONS - POLICE	108,906	122,863	111,162	112,954	122,292
01-410-374	Police	EQUIPMENT REPAIR - POLICE	3,837	1,975	2,926	1,330	1,738
01-410-375	Police	DP EQUIPMENT MAINT. POL	6,807	10,821	10,138	8,208	7,423
01-410-376	Police	RADIO EQUIPMENT REPAIR	9,706	9,510	9,141	8,332	6,515
01-410-451	Police	CONTRACTED VEH. REPAIR	24,011	23,507	16,827	15,156	8,770
01-410-740	Police	CAPITAL PURCH. EQUIP	56,252	60,860	80,328	90,034	78,721
01-410-741	Police	CAPITAL PURCH DP EQUIP	30,148	38,981	38,638	27,300	24,404
01-410-742	Police	BYRNE JAG GRANT EXPENSES	0	0	0	0	0
01-410-743	Police	WILLIAM PENN GRANT	0	101,209	76,044	19,178	50,123
01-410-744	Police	PENN PRIME GRANT - POL TASERS	0	820	0	0	0
01-410-750	Police	MINOR EQUIPMENT - POL	3,166	5,211	4,437	4,119	1,629
01-410-751	Police	MINOR RADIO EQUIP - POL	0	0	0	0	0
		Total Police	3,527,828	3,798,224	3,653,712	4,653,525	4,693,672

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-411-120	Fire	WAGES - FIRE ADMINISTRATION	0	0	0	0	0
01-411-220	Fire	SUPPLIES - FIRE ADMIN	3,422	363	0	17	0
01-411-251	Fire	VEHICLE MAINT/FUEL - FIRE ADMN	0	0	0	0	0
01-411-301	Fire	GENERAL EXPENSE - FIRE	7,958	22,237	3,987	283	0
01-411-302	Fire	TRAINING - FIRE ADMIN	0	0	0	0	0
01-411-305	Fire	CAPITAL EQUIPMENT - FIRE ADMN	0	0	0	0	0
01-411-320	Fire	COMMUNICATIONS - FIRE	771	742	720	320	293
01-411-420	Fire	DUES/SUBSCRIPTIONS - FIRE ADMN	0	0	0	0	0
01-411-450	Fire	INCENTIVE - FIRE VOLUNTEER	0	0	0	0	0
01-411-500	Fire	FUEL - FIRE COMPANIES	0	0	0	0	0
01-411-540	Fire	CONTRIBUTION - REIFFTON	0	0	0	0	0
01-411-541	Fire	CONTRIBUTION - STONERSVILLE	0	0	0	0	0
01-411-750	Fire	EQUIPMENT - REIFFTON	0	0	0	0	0
01-411-751	Fire	EQUIPMENT - STONERSV	-822	0	0	0	0
		Total Fire	11,329	23,342	4,707	620	293
01-412-320	Ambulance/EMS	COMMUNICATIONS - EMS	16,987	19,812	23,982	24,702	27,635
01-412-540	Ambulance/EMS	CONTRIBUTION - AMBULANCE	29,460	7,874	5,132	17,579	-1,378
01-412-541	Ambulance/EMS	CONTRIBUTION - ALS SER	26,000	5,000	0	0	0
		Total Ambulance/EMS	72,447	32,686	29,114	42,280	26,257
01-413-130	Code Enforcement	WAGES - BUILDING INSPECTOR	69,965	70,096	68,991	65,321	65,773
01-413-131	Code Enforcement	WAGES - CODE ENFORCEMENT	69,983	73,529	75,174	71,901	73,481
01-413-155	Code Enforcement	UNION HEALTH & WELFARE	0	0	0	32,346	33,782
01-413-161	Code Enforcement	FICA / MEDICARE	0	0	0	10,501	10,653
01-413-162	Code Enforcement	UNEMPLOYMENT COMP INS	0	0	0	179	401
01-413-165	Code Enforcement	UNION PENSION	0	0	0	10,538	10,802
01-413-167	Code Enforcement	WORKER'S COMP INS	0	0	0	594	746
01-413-220	Code Enforcement	OPERATING SUPPLIES CODE ENFCMNT	2,031	1,936	1,072	960	1,249
		Total Code Enforcement	141,979	145,561	145,238	192,340	196,888

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-414-132	Planning/Zoning	WAGES - PLANNING COMMISSION	29,888	29,929	31,403	30,718	31,380
01-414-133	Planning/Zoning	WAGES - ZONING BD	4,075	3,098	140	350	210
01-414-155	Planning/Zoning	UNION HEALTH & WELFARE	0	0	0	8,822	9,222
01-414-161	Planning/Zoning	FICA / MEDICARE	0	0	0	2,377	2,430
01-414-162	Planning/Zoning	UNEMPLOYMENT COMP INS	0	0	0	45	103
01-414-165	Planning/Zoning	UNION PENSION	0	0	0	2,874	2,946
01-414-167	Planning/Zoning	WORKER'S COMP INS	0	0	0	132	166
01-414-301	Planning/Zoning	GENERAL EXPENSE - PLAN COMM	784	508	281	0	815
01-414-302	Planning/Zoning	GENERAL EXPENSE - ZONING BD	4,844	4,759	2,663	2,783	2,633
01-414-305	Planning/Zoning	GENERAL EXPENSE - UCC APPEALS	0	0	0	0	0
01-406-320	Planning/Zoning	COMMUNITY MAP PUBLICATION	8,505	0	8,833	0	0
01-414-307	Planning/Zoning	GENL EXP - ECON DEV ADV COUNCIL	0	0	184	223	12,939
01-414-313	Planning/Zoning	ENGINEERING REV - PLAN COMM	69,734	0	0	0	0
		Total Planning/Zoning	117,830	38,293	43,504	48,323	62,844
01-415-301	Emergency Management & Communications	GENERAL EXP - EMERG MGMT	8,421	1,782	24,895	5,433	11,222
01-415-308	Emergency Management & Communications	EQUIPMENT - FIRE POLICE	27,810	21,648	24,823	26,692	23,295
01-415-309	Emergency Management & Communications	FIRE POLICE EXPENSE (SAVINGS)	3,234	2,330	5,611	1,958	568
01-415-450	Emergency Management & Communications	INCENTIVE - FIRE POLICE	13,470	10,185	13,320	14,287	13,188
		Total Emergency Management & Communications	52,934	35,945	68,648	48,369	48,273
01-421-130	Health Department	WAGES - PLUMBING INSPEC	10,558	34,756	15,565	30,769	20,188
01-421-316	Health Department	SEWAGE ENFORCEMENT FEE	9,768	8,241	6,342	3,493	9,051
01-421-540	Health Department	CONTRIBUTION - ANIMAL	2,650	2,700	2,700	2,800	2,800
		Total Health Department	22,976	45,697	24,607	37,062	32,039
01-422-450	Vector Control	MOSQUITO CONTROL	2,531	2,612	2,548	1,735	3,144
		Total Vector Control	2,531	2,612	2,548	1,735	3,144
01-427-220	Recycling	OPERATING SUPPLIES -RECYCLING	7,675	26,036	10,831	-20	-35
01-427-300	Recycling	CONTRACTED SERVICE - RECYCLING	312,873	301,668	299,007	299,007	179,498
01-427-740	Recycling	CAPITAL PURCHASE - RECYCLING	0	0	113,390	90,954	1,000
		Total Recycling	320,548	327,704	423,227	389,940	180,463

ACCOUNT			2008	2009	2010	2011	2012
NUMBER	DEPARTMENT	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
01-430-115	PW Admin	WAGES - TROUT RUN SECURITY	0	0	4,397	1,805	0
01-430-122	PW Admin	WAGES - HWY SUPT/FOREMAN	124,821	84,281	80,049	81,668	81,890
01-430-140	PW Admin	WAGES - HWY	650,516	640,969	674,269	700,329	685,400
01-430-155	PW Admin	UNION HEALTH & WELFARE	0	0	0	207,157	215,977
01-430-157	PW Admin	HEALTH & HOSPITAL INS	0	0	0	23,261	23,325
01-430-158	PW Admin	LIFE INSURANCE	0	0	0	222	266
01-430-159	PW Admin	LT DISABILITY INS	0	0	0	108	132
01-430-161	PW Admin	FICA / MEDICARE	0	0	0	60,092	58,811
01-430-162	PW Admin	UNEMPLOYMENT COMP INS	0	0	0	1,361	3,089
01-430-164	PW Admin	NON-UNIFORMED PENSION	0	0	0	15,275	13,362
01-430-165	PW Admin	UNION PENSION	0	0	0	68,310	71,030
01-430-167	PW Admin	WORKER'S COMP INS	0	0	0	26,747	33,587
01-430-220	PW Admin	OPERATING SUPPLIES HWY	13,654	7,960	11,275	8,111	7,671
01-430-231	PW Admin	BULK GASOLINE	-8,630	5,967	-68	9,439	5,005
01-430-238	PW Admin	UNIFORM RENTAL HWY	5,416	5,241	4,180	4,721	3,506
01-430-251	PW Admin	VEHICLE MAINT - GAS/OIL	104,213	57,397	70,972	94,977	93,825
01-430-252	PW Admin	VEHICLE MAINT - TIRES	11,123	9,650	12,698	11,140	8,823
01-430-253	PW Admin	VEHICLE MAINT REP PART	27,906	19,806	26,763	26,770	24,579
01-430-260	PW Admin	TOOLS/MINOR EQUIPMENT	5,874	5,312	6,707	5,520	4,883
01-430-370	PW Admin	GENERAL EXPENSE - HWY	16,173	14,345	13,388	14,090	12,205
01-430-450	PW Admin	TROUT RUN SECURITY	0	2,409	1,247	1,088	599
01-430-451	PW Admin	CONTRACTED VEHICLE REP.	-466	3,263	4,376	3,664	3,115
01-430-452	PW Admin	OTHER CONTRACTED SERV	9,164	9,469	12,341	12,186	6,980
01-430-454	PW Admin	CONTRACTED SERV - MOWING	13,795	11,560	10,937	10,652	12,598
01-430-740	PW Admin	CAPITAL PURCHASE - HWY	10,500	0	0	0	18,805
		Total Public Works Administration	984,058	877,629	933,530	1,388,694	1,389,464
01-432-245	PW Snow Removal	SUPPLIES - SNOW REMOVAL	72,700	92,549	33,364	83,489	32,648
		Total PW Snow Removal	72,700	92,549	33,364	83,489	32,648
01-433-245	PW Traffic Control	SUPPLIES - SIGNS & SIGNALS	968	-869	0	-79	25
01-433-361	PW Traffic Control	ELECTRICITY - SIGNS & SIGNALS	5,544	7,936	7,829	9,420	8,067
01-433-452	PW Traffic Control	CONTRACTED SERVICES S & S	22,489	15,045	8,907	12,346	12,524
01-433-453	PW Traffic Control	CONTRACTED SERVICE - PAINTING	35,368	29,723	33,351	8,274	32,756
		Total PW Traffic Control	64,369	51,835	50,088	29,961	53,371
01-434-361	PW Street Lighting	ELECTRICITY	57,539	63,377	15,991	20,638	20,561
01-434-362	PW Street Lighting	STREET LIGHT MAINT - HWY	1,419	0	290	0	0
01-434-740	PW Street Lighting	CAPITAL PURCHASE - LED RETROFIT	0	0	76	68	0
		Total PW Street Lighting	58,958	63,377	16,357	20,706	20,561

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-435-120	PW Sidewalk & Crosswalks	WAGES - G.I.S.	50,194	57,698	58,000	59,332	60,359
01-435-157	PW Sidewalk & Crosswalks	HEALTH & HOSPITAL INS	0	0	0	9,863	9,876
01-435-158	PW Sidewalk & Crosswalks	LIFE INSURANCE	0	0	0	173	220
01-435-159	PW Sidewalk & Crosswalks	LT DISABILITY	0	0	0	83	94
01-435-161	PW Sidewalk & Crosswalks	FICA / MEDICARE	0	0	0	4,545	4,623
01-435-162	PW Sidewalk & Crosswalks	UNEMPLOYMENT COMP INS	0	0	0	80	180
01-435-164	PW Sidewalk & Crosswalks	NON-UNIFORMED PENSION	0	0	0	11,813	10,332
01-435-167	PW Sidewalk & Crosswalks	WORKER'S COMP INS	0	0	0	122	153
01-435-220	PW Sidewalk & Crosswalks	SUPPLIES - G.I.S.	1,380	545	354	731	1,030
01-435-370	PW Sidewalk & Crosswalks	EQUIP MAINT - GIS	5,562	2,514	1,723	3,979	4,886
01-435-740	PW Sidewalk & Crosswalks	CAPITAL PURCHASE - G.I.S.	0	1,000	926	0	4,250
		Total PW Sidewalk & Crosswalks	57,136	61,757	61,003	90,721	96,002
01-436-245	PW Storm Sewers & Drains	SUPPLIES - STORM SEWER	6,029	6,486	3,735	5,508	6,573
01-436-452	PW Storm Sewers & Drains	CONTRACTED SVCS - STORM	0	0	0	0	0
		Total PW Storm Sewers & Drains	6,029	6,486	3,735	5,508	6,573
01-437-245	PW Repairs of Tools & Machinery	SUPPLIES/REPAIRS - M & E	27,384	26,928	26,469	27,349	25,189
01-437-247	PW Repairs of Tools & Machinery	MAINT & REP - TUB GRINDER	17,791	21,476	46,073	32,282	21,233
01-437-452	PW Repairs of Tools & Machinery	CONTRACTED SERVICE - M & E	-751	5,679	5,958	5,789	6,794
		Total PW Repairs of Tools & Machinery	44,424	54,083	78,500	65,420	53,216
01-438-245	PW Maintenance & Repairs of Roads & Bridges	SUPPLIES - HWY MAINT	32,818	33,584	29,899	25,807	23,252
01-438-2450	PW Maintenance & Repairs of Roads & Bridges	CLAIRE DRIVE	0	0	0	0	0
01-438-452	PW Maintenance & Repairs of Roads & Bridges	CONTRACTED SERVICE-HWY MAINT	3,720	3,377	3,035	3,479	3,152
		Total PW Maintenance & Repairs of Roads & Bridges	36,538	36,961	32,934	29,287	26,404
01-439-2452	PW Highway Construction	COUNTY STATE AID PROJECTS	0	0	0	0	0
01-439-247	PW Highway Construction	BOONE HOMESTEAD IN-KIND	0	0	0	0	0
		Total PW Highway Construction	0	0	0	0	0

ACCOUNT NUMBER	DEPARTMENT	DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL
01-451-120	Culture & Recreation	WAGES - RECREATION DIRECTOR	53,416	54,657	56,072	57,361	57,361
01-451-157	Culture & Recreation	HEALTH & HOSPITAL INS	0	0	0	23,261	23,325
01-451-158	Culture & Recreation	LIFE INSURANCE	0	0	0	159	195
01-451-159	Culture & Recreation	LT DISABILITY INS	0	0	0	77	94
01-451-161	Culture & Recreation	FICA / MEDICARE	0	0	0	4,393	4,393
01-451-162	Culture & Recreation	UNEMPLOYMENT COMP INS	0	0	0	80	180
01-451-164	Culture & Recreation	NON-UNIFORMED PENSION	0	0	0	10,897	9,531
01-451-167	Culture & Recreation	WORKER'S COMP INS	0	0	0	112	765
01-451-301	Culture & Recreation	GENERAL EXPENSE - PARK	1,427	2,489	2,516	2,477	2,341
01-451-302	Culture & Recreation	TRAINING - PARK & REC	2,294	772	1,133	1,200	306
01-451-340	Culture & Recreation	ADVERTISING - PARK & REC	23,414	22,919	21,079	24,382	21,462
01-451-360	Culture & Recreation	UTILITIES - PARK	29,245	28,839	30,888	31,818	24,971
01-451-420	Culture & Recreation	DUES/SUBSCRIPTIONS - PARK	30	360	175	404	300
01-452-120	Culture & Recreation	WAGES - RECREATION	54,417	59,989	56,190	63,172	66,178
01-452-161	Culture & Recreation	FICA / MEDICARE	0	0	0	4,833	5,063
01-452-162	Culture & Recreation	UNEMPLOYMENT COMP INS	0	0	0	632	1,489
01-452-167	Culture & Recreation	WORKER'S COMP INS	0	0	0	2,121	2,037
01-452-200	Culture & Recreation	SUPPLIES - RECREATION	6,005	4,579	5,735	5,730	4,713
01-454-120	Culture & Recreation	WAGES - PARK MAINT.	111,644	125,781	73,429	72,565	70,429
01-454-155	Culture & Recreation	UNION HEALTH & WELAFRE	0	0	0	14,703	15,358
01-454-161	Culture & Recreation	FICA / MEDICARE	0	0	0	5,551	5,589
01-454-162	Culture & Recreation	UNEMPLOYMENT COMP INS	0	0	0	319	714
01-454-165	Culture & Recreation	UNION PENSION	0	0	0	6,574	5,935
01-454-167	Culture & Recreation	WORKER'S COMP INS	0	0	0	2,084	2,618
01-454-200	Culture & Recreation	SUPPLIES - PARK	4,747	2,985	3,067	3,480	2,684
01-454-205	Culture & Recreation	SUPPLIES - PARK ATHLETICS	12,146	10,636	11,324	12,223	12,281
01-454-210	Culture & Recreation	SUPPLIES - COMMUNITY FESTIVAL	8,765	9,103	8,740	7,436	9,545
01-454-215	Culture & Recreation	SUPPLIES - SUMMER YOUTH	0	0	0	4,719	3,869
01-454-300	Culture & Recreation	SPECIAL EVENTS - PARK	11,214	10,338	9,962	15,526	14,721
01-454-370	Culture & Recreation	MAINT & REPAIRS - PARK	18,244	21,842	16,684	19,670	19,074
01-454-371	Culture & Recreation	FIELD MAINTENANCE - PARK	22,107	22,851	18,263	21,576	22,027
01-454-372	Culture & Recreation	VANDALISM REPAIRS - PARK	2,226	1,817	535	1,148	635
01-454-600	Culture & Recreation	CONTRACTED SERVICES	36,718	29,162	30,994	25,370	28,166
01-454-700	Culture & Recreation	CAPITAL PURCHASE - PARK	0	0	0	0	8,000
01-454-710	Culture & Recreation	MINOR EQUIPMENT - PARK	2,018	2,525	2,433	2,685	1,732
01-456-500	Culture & Recreation	LIBRARY SERVICES	206,291	206,291	106,291	106,000	106,000
01-456-505	Culture & Recreation	CONTRIBUTION - VISITING NURSES	500	500	500	0	0
01-456-510	Culture & Recreation	HISTORICAL COMMISSION EXPENSES	0	0	0	0	0
		Total Culture & Recreation	606,868	618,434	456,010	554,737	554,085
01-455-700	Shade Tree	CAPITAL PURCHASE - SHADE TREES	0	0	1,370	20,561	430
		Total Shade Tree	0	0	1,370	20,561	430
01-471-100	Debt Service	GENERAL OBLIGATION DEBT SERVICE	387,784	387,133	174,293	384,993	384,893
01-471-110	Debt Service	PENNVEST LOAN	17,353	17,353	17,353	18,858	19,159
01-471-150	Debt Service	RATE SWAP INTEREST	1,299	49,931	51,287	-21,075	-14,010
01-471-160	Debt Service	TIF PAYMENT - EXETER COMMONS	0	6,871	46,753	39,648	39,648
01-475-000	Debt Service	FISCAL AGENT FEES	0	0	0	250	250
		Total Debt Service	406,436	461,288	289,687	422,674	429,940

ACCOUNT			2008	2009	2010	2011	2012
NUMBER	DEPARTMENT	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
01-481-161	Employee Paid Benefits	FICA/MEDICARE - GENERAL	154,604	159,370	158,022	0	0
01-481-162	Employee Paid Benefits	UNEMPLOYMENT COMP. - GE	12,433	13,435	5,845	0	0
01-483-300	Employee Paid Benefits	NON-UNION PENSION	103,281	100,572	102,880	0	0
01-483-310	Employee Paid Benefits	UNION PENSION/GENERAL	104,408	110,802	108,195	0	0
01-487-100	Employee Paid Benefits	HEALTH & HOSPICE / GENE	701,889	772,062	776,604	10,155	10,847
01-487-150	Employee Paid Benefits	UNION HEALTH & WELFARE	280,960	310,955	319,938	-3,375	0
01-487-200	Employee Paid Benefits	LIFE INSURANCE - GENERAL	10,743	11,321	10,298	1,466	0
01-487-250	Employee Paid Benefits	DISABILITY INSURANCE	5,209	6,466	4,982	717	0
		Total Employee Paid Benefits	1,373,527	1,484,982	1,486,764	8,963	10,847
01-484-000	Workers' Comp	WORKERS COMPENSATION	112,231	110,266	121,855	994	0
01-484-100	Workers' Comp	WORKERS COMP/DISABILITY - REIMB	48,736	17,388	94,102	93,885	82,454
		Total Workers' Comp	160,967	127,653	215,956	94,879	82,454
01-486-351	Insurance	VEHICLE INSURANCE - GENE	77,826	71,585	53,372	52,963	56,199
01-486-352	Insurance	CASUALTY INSURANCE - GEN	118,303	101,239	92,547	93,766	97,102
01-486-353	Insurance	BONDING - GENERAL	1,689	1,689	1,753	1,951	2,068
		Total Insurance	197,818	174,513	147,671	148,680	155,369
01-491-000	Refund of Prior Yr Revenues	REFUND - PRIOR YEAR RE	11,647	2,613	8,948	1,262	11,044
01-492-000	Transfers to Other Funds	TR TO OTHER FUNDS - GEN	50,000	0	0	0	0
01-492-040	Transfers to Capital	TRANSFER TO CAPITAL	0	0	0	0	95,055
01-492-300	Transfers to Other Funds	APPARATUS CONTRIBUTION	135,000	0	0	0	0
01-492-601	Foreign Fire Insurance	FOREIGN FIRE INSURANCE	166,862	151,561	170,592	289,127	162,867
		Total Other Financing Uses	363,509	154,174	179,540	290,389	268,966
		Total Expenditures	\$9,397,374	\$9,620,508	\$9,076,626	\$9,408,310	\$9,132,023

ACCOUNT		2013	2013	Variance	
NUMBER	DESCRIPTION	Actual	Budget	\$	%
01-301-100	Real Estate Taxes	\$2,249,609	\$2,307,391	-57,782	-2.5
01-301-101	Real Estate Taxes Pr Yr	17,505	15,000	2,505	16.7
01-301-400	Real Estate-Tax Claim	126,170	110,000	16,170	14.7
	Total Real Estate Taxes	2,393,284	2,432,391	-39,107	-1.6
01-310-100	Per Capita Taxes	57,502	63,000	-5,498	-8.7
01-310-101	Per Capita Taxes Pr Yr	7,432	9,090	-1,658	-18.2
01-310-200	Real Estate Transfer Taxes	403,938	240,000	163,938	68.3
01-310-300	Earned Income Taxes	3,241,515	3,055,000	186,515	6.1
01-310-410	Local Services Tax	240,560	236,000	4,560	1.9
01-310-411	Local Services Tax Pr Yr	73,843	75,000	-1,157	-1.5
01-310-800	Business Privilege Taxes	407,243	450,000	-42,757	-9.5
01-310-801	Business Privilege Taxes-Pr Yr	24,998	25,000	-2	0.0
	Total Act 511 Taxes	4,457,031	4,153,090	303,941	7.3
01-319-100	Penalties/Interest-Taxes	2,603	3,000	-397	-13.2
01-319-101	Penalties/Interest-Taxes Pr Yr	2,281	2,000	281	14.1
	Total Penalties & Interest	4,884	5,000	-116	-2.3
01-321-100	Business Priv Licenses	3,300	3,350	-50	-1.5
01-321-600	Plumbing Licenses	2,555	4,000	-1,445	-36.1
01-321-610	Soliciting Permits	2,000	1,000	1,000	100.0
01-321-800	Cable TV Franchise	369,402	340,000	29,402	8.6
01-321-850	Tower Franchise Fee	0	0	0	0.0
01-321-910	Road Occupancy Permits	12,850	10,000	2,850	28.5
	Total Licenses & Permits	390,107	358,350	31,757	8.9

ACCOUNT		2013	2013	Variance	
NUMBER	DESCRIPTION	Actual	Budget	\$	%
01-331-110	Veh Code-State Fines	33,709	41,000	-7,291	-17.8
01-331-120	District Justice Fines	90,031	85,000	5,031	5.9
01-331-130	Police Dept Fines	795	640	155	24.2
01-331-140	False Alarm Fees	0	1,000	-1,000	-100.0
	Total Fines & Forfeits	124,535	127,640	-3,105	-2.4
01-340-010	Interest	13,191	18,000	-4,809	-26.7
01-342-400	Rental Income	23,514	23,484	30	0.1
	Total Interest, Rents & Royalties	36,705	41,484	-4,779	-11.5
01-351-021	DCED Grants	0	0	0	0.0
01-351-024	Police Equip Grant	92,500	70,000	22,500	32.1
01-351-026	FEMA Reimb	0	0	0	0.0
01-351-028	Police Vest Grant	434	2,700	-2,266	-83.9
01-351-090	CDBG Funding	0	0	0	0.0
01-351-130	Edward Byrne JAG Grant	0	0	0	0.0
01-354-040	State Grant - Sewage Enfocmnt	0	2,000	-2,000	-100.0
01-354-100	PENN Prime Grant	0	0	0	0.0
01-354-300	Tree Vitalize Grant	0	0	0	0.0
01-355-010	Public Utility Realty Tax	9,841	11,000	-1,159	-10.5
01-355-040	County State Aid	0	0	0	0.0
01-355-080	Alcoholic Beverage Tax	5,325	6,525	-1,200	-18.4
01-355-090	State 904 Grant - Recycling	0	90,000	-90,000	-100.0
01-355-095	State 902 Grant - Recycling	0	0	0	0.0
01-355-120	Foreign Casualty Insurance Tax	392,320	365,000	27,320	7.5
01-355-130	Foreign Fire Insurance Tax	182,453	170,000	12,453	7.3
01-359-000	Indust Dev Auth ILO	0	1,500	-1,500	-100.0
	Total Intergovernmental	682,873	718,725	-35,852	-5.0

Appendix
General Fund Revenues
2013 Actual vs Budget

ACCOUNT		2013	2013	Variance	
NUMBER	DESCRIPTION	Actual	Budget	\$	%
01-361-240	Liquor License Transfers	1,000	0	1,000	100.0
01-361-300	Subdivision Fees	0	0	0	0.0
01-361-330	Zoning Permit Fees	5,250	14,000	-8,750	-62.5
01-361-350	UCC Appeals	0	1,000	-1,000	-100.0
01-361-400	Fire System Plan Reviews	5,424	8,000	-2,576	-32.2
01-361-420	Fitness Certificate/Fire	2,800	3,000	-200	-6.7
01-361-500	Sale of Publications	79	1,000	-921	-92.1
01-362-110	Police Report Copies	8,441	7,500	941	12.5
01-362-140	Anti Drug PCCD Grant/DARE	0	0	0	0.0
01-362-150	Police Service - St Lawrence	0	0	0	0.0
01-362-160	K-9 Usage fees	0	0	0	0.0
01-362-180	Dare Contributions	0	0	0	0.0
01-362-190	Fire Police Contributions	4,266	0	4,266	0.0
01-362-210	Fire Reports	0	0	0	0.0
01-362-212	Alarm Permit Fees	600	500	100	20.0
01-362-215	Burning Permits	3,415	3,000	415	13.8
01-362-220	Blasting/Tank/Fireworks Permits	2,350	2,750	-400	-14.5
01-362-410	Building Permits	73,915	70,000	3,915	5.6
01-362-412	Permit Issuance Fee	2,550	2,601	-51	-2.0
01-362-415	Labor & Industry Fee	81	0	81	0.0
01-362-420	Occupancy Permits	4,750	4,500	250	5.6
01-362-430	Plumbing Permits	53,062	40,000	13,062	32.7
01-362-440	On Lot Sewage Permits	2,750	3,500	-751	-21.4
01-362-450	Trash Truck Permits	0	0	0	0.0
01-362-500	Subdivision Inspections	0	0	0	0.0
01-362-510	Engineering Review & Insp.	47,525	150,000	-102,475	-68.3
01-363-500	Contracted Highway Work	5,108	0	5,108	0.0
01-363-501	Contracted Snow Removal	0	500	-500	-100.0

Appendix
General Fund Revenues
2013 Actual vs Budget

ACCOUNT		2013	2013	Variance	
NUMBER	DESCRIPTION	Actual	Budget	\$	%
01-363-505	Contracted Mowing - PennDOT	8,080	5,200	2,880	55.4
01-363-510	Contracted Snow Rem-PennDOT	0	0	0	0.0
01-363-515	Mulch by Scoop	7,913	4,000	3,913	97.8
01-363-520	Sale of Mulch	0	0	0	0.0
01-364-300	Solid Waste Collection	154,292	155,000	-708	-0.5
01-364-500	Sale of Recycling Material	23,818	30,000	-6,182	-20.6
01-364-600	Landfill Host Fees	500,000	550,000	-50,000	-9.1
01-364-900	Brush/Grass Recycling	9,093	15,000	-5,907	-39.4
01-367-000	Park & Rec User Fees	26,372	27,025	-653	-2.4
01-367-025	Summer Sports Programs	7,835	12,000	-4,165	-34.7
01-367-050	Community Days	6,650	9,000	-2,350	-26.1
01-367-100	Sponsorships/Advertising	19,535	20,000	-465	-2.3
01-367-150	Advertising - Community Map	0	12,000	-12,000	-100.0
01-367-160	Advertising - Business Directory	0	15,000	-15,000	-100.0
01-367-200	Special Events-Park	17,885	15,000	2,885	19.2
01-367-500	Facilities Rental Income	22,236	25,000	-2,764	-11.1
01-367-600	Youth Group Contribution	24,490	23,000	1,490	6.5
01-376-200	EDAC Event Fees	1,258	0	1,258	100.0
	Total Departmental Earnings	1,052,822	1,229,076	-176,254	-14.3

ACCOUNT		2013	2013	Variance	
NUMBER	DESCRIPTION	Actual	Budget	\$	%
01-380-100	Miscellaneous - General	788	0	788	100.0
01-380-110	Bank Chg Reimb	150	0	150	100.0
01-380-120	Revenue Share - Commerce Bank	9,677	13,000	-3,323	-25.6
01-380-140	Developer Contributions	0	0	0	0.0
01-380-200	Workmens Comp Reimb	98,208	0	98,208	100.0
01-387-100	Donations - Police	0	0	0	0.0
01-387-110	Walmart Grant	0	0	0	0.0
01-387-120	Lowe's Grant	0	0	0	0.0
01-387-150	Donations - DARE	0	0	0	0.0
01-387-200	Donations - Unrestricted	0	0	0	0.0
	Total Special Assessments	108,823	13,000	95,823	737.1
01-391-100	Sale of Assets - General	4,655	0	4,655	100.0
01-392-000	Transfer from RCC operations	0	0	0	0.0
01-392-031	Transfer from Library Capital Fund	0	0	0	0.0
01-392-060	Transfer from K-9	0	0	0	0.0
01-392-080	Transfer from Sewer	0	0	0	0.0
01-393-100	Bond Re-fi Revenue	0	0	0	0.0
01-394-000	Refunds - Pr Yr Expenses	205,045	125,000	80,045	64.0
	Total Other Financing Sources	209,700	125,000	84,700	67.8
	Total Revenue	\$9,460,765	\$9,203,756	257,009	2.8

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-400-113	General Government	WAGES - SUPERVISORS	15,675	13,500	2,175	16.1
01-400-161	General Government	FICA / MEDICARE	1,199	1,033	166	16.1
01-400-301	General Government	GENERAL EXPENSE - SUPER	1,400	1,500	-100	-6.7
		Total General Government	18,274	16,033	2,241	14.0
01-401-140	Administration	WAGES - ADMIN. STAFF	125,857	133,640	-7,783	-5.8
01-401-155	Administration	UNION HEALTH & WELFARE	20,207	20,895	-688	-3.3
01-401-157	Administration	HEALTH & HOSPITAL INSURANCE	17,361	17,378	-17	-0.1
01-401-158	Administration	LIFE INSURANCE	243	252	-9	-3.5
01-401-159	Administration	LT DISABILITY INSURANCE	131	135	-4	-2.8
01-401-161	Administration	FICA/MEDICARE	9,654	10,223	-569	-5.6
01-401-162	Administration	UNEMPLOYMENT COMP	990	977	13	1.3
01-401-164	Administration	NON-UNIFORMED PENSION	14,024	14,055	-31	-0.2
01-401-165	Administration	UNION PENSION	6,156	6,133	23	0.4
01-401-167	Administration	WORKER'S COMP INS	348	320	28	8.8
01-401-210	Administration	OFFICE SUPPLIES - ADMIN.	1,558	1,500	58	3.9
01-401-301	Administration	GENERAL EXPENSE - ADMIN.	10,914	15,000	-4,086	-27.2
01-401-302	Administration	TRAINING - ADMIN.	1,169	1,200	-31	-2.6
01-401-312	Administration	CONSULTING SERVICES	0	0	0	0.0
01-401-320	Administration	COMMUNICATIONS - ADMIN.	7,670	8,500	-830	-9.8
01-401-340	Administration	ADVERTISING/PRINTING	5,499	7,500	-2,001	-26.7
01-401-384	Administration	EQUIPMENT RENTAL - ADM.	282	300	-18	-6.0
01-401-420	Administration	DUES/SUBSCRIPTIONS/PUBL	5,912	5,400	512	9.5
01-401-430	Administration	PROPERTY TAXES	0	0	0	0.0
01-401-700	Administration	CAPITAL PURCHASE - ADM.	45,627	0	45,627	100.0
		Total Administration	273,603	243,408	30,195	12.4
01-402-311	Finance	AUDITING SERVICES - GEN	12,000	12,000	12,428	12,474.6
01-402-316	Finance	CONSULTING SERVICES	18,832	3,000	5,819	5,841.0
01-402-317	Finance	BANK CHARGES - GENERAL	0	0	0	0.0
		Total Finance	30,832	15,000	18,248	18,315.6
01-403-114	Tax Collection	WAGES - TAX COLLECTOR	20,700	20,000	700	3.5
01-403-161	Tax Collection	FICA / MEDICARE	1,584	1,530	54	3.5
01-403-210	Tax Collection	SUPPLIES - TAX COLLECTOR	7,448	7,300	148	2.0
01-403-315	Tax Collection	EARNED INCOME TAX EXPENSE	0	0	0	0.0
01-403-316	Tax Collection	BUSINESS PRIVILEGE TAX	10,806	11,900	-1,094	-9.2
01-403-318	Tax Collection	LOCAL SERVICES TAX COLLEC	7,860	8,007	-147	-1.8
01-403-353	Tax Collection	BONDING - TAX COLLECTOR	718	750	-32	-4.3
		Total Tax Collection	49,115	49,487	-372	-0.8

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-404-314	Legal	LEGAL SERVICES - GENERAL	52,098	50,000	2,098	4.2
		Total Legal	52,098	50,000	2,098	4.2
01-407-200	Data Processing	DP SUPPLIES - ADMIN.	582	800	-218	-27.2
01-407-316	Data Processing	DP TECH SUPPORT - ADMIN.	4,488	4,394	94	2.1
01-407-374	Data Processing	DP EQUIP MAINT - ADMIN.	932	1,200	-268	-22.4
01-407-740	Data Processing	DP CAPITAL PURCH. - ADMIN.	408	500	-92	-18.3
		Total Data Processing	6,410	6,894	-484	-7.0
01-408-140	Engineering	WAGES - CLERICAL/ENG	58,960	60,000	-1,040	-1.7
01-408-155	Engineering	UNION HEALTH & WELFARE	19,422	20,160	-738	-3.7
01-408-161	Engineering	FICA / MEDICARE	4,511	4,590	-80	-1.7
01-408-162	Engineering	UNEMPLOYMENT COMP INS	510	510	0	0.0
01-408-165	Engineering	UNION PENSION	5,904	5,880	24	0.4
01-408-167	Engineering	WORKER'S COMP INS	215	198	17	8.6
01-408-240	Engineering	GENERAL SUPPLIES - ENG	1,458	1,800	-342	-19.0
01-408-301	Engineering	GENERAL EXPENSES - ENG	7,652	7,100	552	7.8
01-408-302	Engineering	MS4 CO-OP EXPENSES	1,000	1,000	0	0.0
01-408-313	Engineering	CONSULTING SERVICES	58,975	30,000	28,975	96.6
01-408-314	Engineering	SUBDIVISION INSPECTIONS	0	0	0	0.0
01-408-315	Engineering	ENGINEERING REVIEWS & INSPECTION	48,852	150,000	-101,148	-67.4
01-408-700	Engineering	CAPITAL PURCHASE - ENG	0	0	0	0.0
		Total Engineering	207,458	281,238	-73,780	-26.2
01-409-140	Building	WAGES - BUILDING MAINT.	23,554	24,600	-1,047	-4.3
01-409-155	Building	UNION HEALTH & WELFARE	8,076	8,400	-324	-3.9
01-409-161	Building	FICA / MEDICARE	1,802	1,882	-80	-4.3
01-409-162	Building	UNEMPLOYMENT COMP INS	225	212	13	6.3
01-409-165	Building	UNION PENSION	2,460	2,450	10	0.4
01-409-167	Building	WORKER'S COMP INS	1,173	1,019	154	15.1
01-409-200	Building	SUPPLIES - BUILDING	1,060	1,575	-515	-32.7
01-409-360	Building	UTILITIES - BUILDING	36,775	40,000	-3,225	-8.1
01-409-370	Building	MAINT & REPAIRS - BLDG.	21,943	10,000	11,943	119.4
01-409-375	Building	MAINT & REPAIRS - RCC	4,886	0	4,886	0.0
01-409-440	Building	TRASH COLLECTION	7,544	7,000	544	7.8
01-409-450	Building	CONTRACTED SERVICES - BLDG	2,314	2,000	314	15.7
01-409-720	Building	MAJOR IMPROVEMENTS - B	0	0	0	0.0
01-409-750	Building	MINOR EQUIPMENT - BLDG.	0	0	0	0.0
		Total Building	111,810	99,138	12,672	12.8

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-410-122	Police	WAGES - CHIEF	127,245	104,100	23,145	22.2
01-410-130	Police	WAGES - LT & SGTS	537,802	531,000	6,802	1.3
01-410-140	Police	WAGES - PATROLMEN	1,779,921	1,928,205	-148,284	-7.7
01-410-141	Police	WAGES - VEH MAINT	19,358	15,652	3,706	23.7
01-410-144	Police	WAGES - CLERICAL/POLICE	123,323	123,150	173	0.1
01-410-155	Police	UNION HEALTH & WELFARE	48,304	50,295	-1,991	-4.0
01-410-157	Police	HEALTH & HOSPITAL INS	770,638	794,850	-24,212	-3.0
01-410-158	Police	LIFE INSURANCE	7,819	8,037	-218	-2.7
01-410-159	Police	LT DISABILITY INSURANCE	3,918	3,919	-1	0.0
01-410-161	Police	FICA / MEDICARE	49,468	51,000	-1,532	-3.0
01-410-162	Police	UNEMPLOYMENT COMP INS	14,145	14,070	75	0.5
01-410-163	Police	POLICE PENSION	424,764	424,764	0	0.0
01-410-165	Police	UNION PENSION	14,760	14,700	60	0.4
01-483-100	Police	POLICE PENSION	0	0	0	0.0
01-483-105	Police	POLICE PENSION - FORMER VESTED	0	0	0	0.0
01-410-167	Police	WORKER'S COMP INS	107,500	80,884	26,616	32.9
01-410-183	Police	WAGES - POLICE OVERTIME	170,822	245,000	-74,178	-30.3
01-410-184	Police	WAGES - POL HOLIDAY OT	64,288	0	64,288	100.0
01-410-185	Police	SCHOOL CROSSING GUARD	2,973	1,800	1,173	65.2
01-410-191	Police	UNIFORM MAINTENANCE - PO	3,980	5,000	-1,020	-20.4
01-410-200	Police	DP SUPPLIES - POLICE	1,749	2,600	-851	-32.7
01-410-220	Police	OPERATING SUPPLIES - POL	7,467	6,200	1,267	20.4
01-410-221	Police	DARE EXPENSES	0	1,000	-1,000	-100.0
01-410-223	Police	FIREARMS EXPENSE	23,959	20,900	3,059	14.6
01-410-225	Police	K-9 OFFICER EXPENSES	14,679	13,300	1,379	10.4
01-410-227	Police	TRAFFIC UNIT EXPENSE	6,326	8,650	-2,324	-26.9
01-410-231	Police	VEHICLE FUEL/OIL - POLICE	78,646	78,000	646	0.8
01-410-238	Police	UNIFORM PURCHASE - POLICE	16,958	18,500	-1,542	-8.3
01-410-239	Police	BULLETPROOF VEST PROGRAM	0	900	-900	-100.0
01-410-251	Police	VEHICLE MAINT. PARTS	30,002	24,000	6,002	25.0
01-410-252	Police	VEHICLE MAINT./TIRES	6,518	8,000	-1,482	-18.5
01-410-301	Police	GENERAL EXPENSE - POLICE	11,757	14,750	-2,993	-20.3
01-410-302	Police	TRAINING - POLICE	26,658	26,800	-142	-0.5
01-410-320	Police	COMMUNICATIONS - POLICE	147,230	149,787	-2,558	-1.7
01-410-374	Police	EQUIPMENT REPAIR - POLICE	1,530	4,000	-2,470	-61.8
01-410-375	Police	DP EQUIPMENT MAINT. POL	9,324	9,010	314	3.5
01-410-376	Police	RADIO EQUIPMENT REPAIR	6,072	8,000	-1,928	-24.1
01-410-451	Police	CONTRACTED VEH. REPAIR	14,687	15,000	-313	-2.1
01-410-740	Police	CAPITAL PURCH. EQUIP	75,525	77,808	-2,283	-2.9

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-410-741	Police	CAPITAL PURCH DP EQUIP	32,275	33,150	-875	-2.6
01-410-742	Police	BYRNE JAG GRANT EXPENSES	0	0	0	0.0
01-410-743	Police	WILLIAM PENN GRANT	118,485	70,000	48,485	69.3
01-410-744	Police	PENN PRIME GRANT - POL TASERS	0	0	0	0.0
01-410-750	Police	MINOR EQUIPMENT - POL	3,318	4,100	-782	100.0
01-410-751	Police	MINOR RADIO EQUIP - POL	0	0	0	0.0
		Total Police	4,904,196	4,990,881	-86,686	-1.7
01-411-120	Fire	WAGES - FIRE ADMINISTRATION	0	0	0	0.0
01-411-220	Fire	SUPPLIES - FIRE ADMIN	0	100	-100	-100.0
01-411-251	Fire	VEHICLE MAINT/FUEL - FIRE ADMN	0	0	0	0.0
01-411-301	Fire	GENERAL EXPENSE - FIRE	0	500	-500	-100.0
01-411-302	Fire	TRAINING - FIRE ADMIN	0	0	0	0.0
01-411-305	Fire	CAPITAL EQUIPMENT - FIRE ADMN	0	0	0	0.0
01-411-320	Fire	COMMUNICATIONS - FIRE	312	300	12	3.9
01-411-420	Fire	DUES/SUBSCRIPTIONS - FIRE ADMN	0	0	0	0.0
01-411-450	Fire	INCENTIVE - FIRE VOLUNTEER	0	0	0	0.0
01-411-500	Fire	FUEL - FIRE COMPANIES	0	0	0	0.0
01-411-540	Fire	CONTRIBUTION - REIFFTON	0	0	0	0.0
01-411-541	Fire	CONTRIBUTION - STONERSVILLE	0	0	0	0.0
01-411-750	Fire	EQUIPMENT - REIFFTON	0	0	0	0.0
01-411-751	Fire	EQUIPMENT - STONERSV	0	0	0	0.0
		Total Fire	312	900	-588	-65.4
01-412-320	Ambulance/EMS	COMMUNICATIONS - EMS	32,610	32,610	0	0.0
01-412-540	Ambulance/EMS	CONTRIBUTION - AMBULANCE	3,436	4,078	-642	-15.7
01-412-541	Ambulance/EMS	CONTRIBUTION - ALS SER	0	0	0	0.0
		Total Ambulance/EMS	36,046	36,688	-642	-1.8
01-413-130	Code Enforcement	WAGES - BUILDING INSPECTOR	66,664	63,000	3,664	5.8
01-413-131	Code Enforcement	WAGES - CODE ENFORCEMENT	70,817	74,000	-3,183	-4.3
01-413-155	Code Enforcement	UNION HEALTH & WELFARE	35,582	36,960	-1,378	-3.7
01-413-161	Code Enforcement	FICA / MEDICARE	10,662	10,481	181	1.7
01-413-162	Code Enforcement	UNEMPLOYMENT COMP INS	952	947	5	0.5
01-413-165	Code Enforcement	UNION PENSION	10,824	10,780	44	0.4
01-413-167	Code Enforcement	WORKER'S COMP INS	813	768	45	5.9
01-413-220	Code Enforcement	OPERATING SUPPLIES CODE ENFCMNT	2,264	2,500	-236	-9.5
		Total Code Enforcement	198,577	199,436	-859	-0.4

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-414-132	Planning/Zoning	WAGES - PLANNING COMMISSION	28,221	31,800	-3,579	-11.3
01-414-133	Planning/Zoning	WAGES - ZONING BD	70	1,500	-1,430	-95.3
01-414-155	Planning/Zoning	UNION HEALTH & WELFARE	9,737	10,080	-343	-3.4
01-414-161	Planning/Zoning	FICA / MEDICARE	2,164	2,433	-269	-11.0
01-414-162	Planning/Zoning	UNEMPLOYMENT COMP INS	238	243	-5	-2.1
01-414-165	Planning/Zoning	UNION PENSION	2,952	2,940	12	0.4
01-414-167	Planning/Zoning	WORKER'S COMP INS	181	171	10	5.8
01-414-301	Planning/Zoning	GENERAL EXPENSE - PLAN COMM	865	500	365	73.0
01-414-302	Planning/Zoning	GENERAL EXPENSE - ZONING BD	4,695	3,000	1,695	56.5
01-414-305	Planning/Zoning	GENERAL EXPENSE - UCC APPEALS	0	1,000	-1,000	-100.0
01-406-320	Planning/Zoning	COMMUNITY MAP PUBLICATION	0	12,000	-12,000	-100.0
01-414-307	Planning/Zoning	GENL EXP - ECON DEV ADV COUNCIL	20,346	20,000	346	1.7
01-414-313	Planning/Zoning	ENGINEERING REV - PLAN COMM	0	0	0	0.0
		Total Planning/Zoning	69,469	85,667	-16,198	-18.9
01-415-301	Emergency Management & Communications	GENERAL EXP - EMERG MGMT	6,513	9,000	-2,487	-27.6
01-415-308	Emergency Management & Communications	EQUIPMENT - FIRE POLICE	25,762	28,195	-2,433	-8.6
01-415-309	Emergency Management & Communications	FIRE POLICE EXPENSE (SAVINGS)	1,173	0	1,173	0.0
01-415-450	Emergency Management & Communications	INCENTIVE - FIRE POLICE	19,880	17,000	2,880	16.9
		Total Emergency Management & Communications	53,328	54,195	-867	-1.6
01-421-130	Health Department	WAGES - PLUMBING INSPEC	15,973	14,000	1,973	14.1
01-421-316	Health Department	SEWAGE ENFORCEMENT FEE	6,122	5,000	1,122	22.4
01-421-540	Health Department	CONTRIBUTION - ANIMAL	2,900	2,900	0	0.0
		Total Health Department	24,995	21,900	3,095	14.1
01-422-450	Vector Control	MOSQUITO CONTROL	818	3,000	-2,182	-72.7
		Total Vector Control	818	3,000	-2,182	-72.7
01-427-220	Recycling	OPERATING SUPPLIES -RECYCLING	-20	0	-20	0.0
01-427-300	Recycling	CONTRACTED SERVICE - RECYCLING	195,816	200,000	-4,184	-2.1
01-427-740	Recycling	CAPITAL PURCHASE - RECYCLING	10,551	0	10,551	100.0
		Total Recycling	206,347	200,000	6,347	3.2

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-430-115	PW Admin	WAGES - TROUT RUN SECURITY	210	0	210	100.0
01-430-122	PW Admin	WAGES - HWY SUPT/FOREMAN	81,740	84,278	-2,538	-3.0
01-430-140	PW Admin	WAGES - HWY	697,043	700,000	-2,957	-0.4
01-430-155	PW Admin	UNION HEALTH & WELFARE	222,292	236,250	-13,958	-5.9
01-430-157	PW Admin	HEALTH & HOSPITAL INS	24,461	24,389	72	0.3
01-430-158	PW Admin	LIFE INSURANCE	265	271	-6	-2.3
01-430-159	PW Admin	LT DISABILITY INS	132	135	-3	-2.0
01-430-161	PW Admin	FICA / MEDICARE	59,939	59,997	-58	-0.1
01-430-162	PW Admin	UNEMPLOYMENT COMP INS	7,456	7,437	19	0.3
01-430-164	PW Admin	NON-UNIFORMED PENSION	14,131	14,164	-33	-0.2
01-430-165	PW Admin	UNION PENSION	69,530	69,250	280	0.4
01-430-167	PW Admin	WORKER'S COMP INS	39,865	34,595	5,270	15.2
01-430-220	PW Admin	OPERATING SUPPLIES HWY	10,028	10,000	28	0.3
01-430-231	PW Admin	BULK GASOLINE	12,517	0	12,517	0.0
01-430-238	PW Admin	UNIFORM RENTAL HWY	2,797	3,500	-703	-20.1
01-430-251	PW Admin	VEHICLE MAINT - GAS/OIL	99,411	84,500	14,911	17.6
01-430-252	PW Admin	VEHICLE MAINT - TIRES	10,647	12,000	-1,353	-11.3
01-430-253	PW Admin	VEHICLE MAINT REP PART	24,990	25,000	-10	0.0
01-430-260	PW Admin	TOOLS/MINOR EQUIPMENT	5,004	5,000	4	0.1
01-430-370	PW Admin	GENERAL EXPENSE - HWY	12,018	12,000	18	0.2
01-430-450	PW Admin	TROUT RUN SECURITY	549	600	-51	-8.4
01-430-451	PW Admin	CONTRACTED VEHICLE REP.	3,827	4,000	-173	-4.3
01-430-452	PW Admin	OTHER CONTRACTED SERV	8,418	7,000	1,418	20.3
01-430-454	PW Admin	CONTRACTED SERV - MOWING	20,464	12,000	8,464	70.5
01-430-740	PW Admin	CAPITAL PURCHASE - HWY	9,527	0	9,527	100.0
		Total Public Works Administration	1,437,262	1,406,366	30,896	2.2
01-432-245	PW Snow Removal	SUPPLIES - SNOW REMOVAL	54,919	55,000	-81	-0.1
		Total PW Snow Removal	54,919	55,000	-81	-0.1
01-433-245	PW Traffic Control	SUPPLIES - SIGNS & SIGNALS	-29	0	-29	0.0
01-433-361	PW Traffic Control	ELECTRICITY - SIGNS & SIGNALS	7,544	8,000	-456	-5.7
01-433-452	PW Traffic Control	CONTRACTED SERVICES S & S	7,833	10,000	-2,167	-21.7
01-433-453	PW Traffic Control	CONTRACTED SERVICE - PAINTING	39,203	40,000	-797	-2.0
		Total PW Traffic Control	54,552	58,000	-3,448	-5.9
01-434-361	PW Street Lighting	ELECTRICITY	17,597	16,000	1,597	10.0
01-434-362	PW Street Lighting	STREET LIGHT MAINT - HWY	0	0	0	0.0
01-434-740	PW Street Lighting	CAPITAL PURCHASE - LED RETROFIT	0	0	0	0.0
		Total PW Street Lighting	17,597	16,000	1,597	10.0

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-435-120	PW Sidewalk & Crosswalks	WAGES - G.I.S.	60,955	60,519	436	0.7
01-435-157	PW Sidewalk & Crosswalks	HEALTH & HOSPITAL INS	10,315	10,330	-15	-0.1
01-435-158	PW Sidewalk & Crosswalks	LIFE INSURANCE	211	215	-4	-2.0
01-435-159	PW Sidewalk & Crosswalks	LT DISABILITY	102	104	-2	-1.7
01-435-161	PW Sidewalk & Crosswalks	FICA / MEDICARE	4,669	4,630	39	0.8
01-435-162	PW Sidewalk & Crosswalks	UNEMPLOYMENT COMP INS	425	425	0	0.0
01-435-164	PW Sidewalk & Crosswalks	NON-UNIFORMED PENSION	10,928	10,952	-24	-0.2
01-435-167	PW Sidewalk & Crosswalks	WORKER'S COMP INS	171	157	14	8.9
01-435-220	PW Sidewalk & Crosswalks	SUPPLIES - G.I.S.	951	1,000	-49	-4.9
01-435-370	PW Sidewalk & Crosswalks	EQUIP MAINT - GIS	4,031	6,000	-1,969	-32.8
01-435-740	PW Sidewalk & Crosswalks	CAPITAL PURCHASE - G.I.S.	10,272	11,050	-778	-7.0
		Total PW Sidewalk & Crosswalks	103,030	105,382	-2,352	-2.2
01-436-245	PW Storm Sewers & Drains	SUPPLIES - STORM SEWER	1,752	8,500	-6,748	-79.4
01-436-452	PW Storm Sewers & Drains	CONTRACTED SVCS - STORM	0	0	0	0.0
		Total PW Storm Sewers & Drains	1,752	8,500	-6,748	-79.4
01-437-245	PW Repairs of Tools & Machinery	SUPPLIES/REPAIRS - M & E	25,706	26,500	-794	-3.0
01-437-247	PW Repairs of Tools & Machinery	MAINT & REP - TUB GRINDER	16,220	16,000	220	1.4
01-437-452	PW Repairs of Tools & Machinery	CONTRACTED SERVICE - M & E	5,974	6,000	-26	-0.4
		Total PW Repairs of Tools & Machinery	47,899	48,500	-601	-1.2
01-438-245	PW Maintenance & Repairs of Roads & Bridges	SUPPLIES - HWY MAINT	26,333	25,000	1,333	5.3
01-438-2450	PW Maintenance & Repairs of Roads & Bridges	CLAIRE DRIVE	0	0	0	0.0
01-438-452	PW Maintenance & Repairs of Roads & Bridges	CONTRACTED SERVICE-HWY MAINT	1,082	3,500	-2,418	-69.1
		Total PW Maintenance & Repairs of Roads & Bridges	27,415	28,500	-1,085	-3.8
01-439-2452	PW Highway Construction	COUNTY STATE AID PROJECTS	0	0	0	0.0
01-439-247	PW Highway Construction	BOONE HOMESTEAD IN-KIND	0	0	0	0.0
		Total PW Highway Construction	0	0	0	0.0

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-451-120	Culture & Recreation	WAGES - RECREATION DIRECTOR	57,935	55,825	2,110	3.8
01-451-157	Culture & Recreation	HEALTH & HOSPITAL INS	24,461	24,391	70	0.3
01-451-158	Culture & Recreation	LIFE INSURANCE	195	199	-4	-2.1
01-451-159	Culture & Recreation	LT DISABILITY INS	94	96	-2	-1.8
01-451-161	Culture & Recreation	FICA / MEDICARE	4,438	4,271	167	3.9
01-451-162	Culture & Recreation	UNEMPLOYMENT COMP INS	425	425	0	0.0
01-451-164	Culture & Recreation	NON-UNIFORMED PENSION	10,080	10,103	-23	-0.2
01-451-167	Culture & Recreation	WORKER'S COMP INS	157	145	12	8.3
01-451-301	Culture & Recreation	GENERAL EXPENSE - PARK	2,696	2,500	196	7.8
01-451-302	Culture & Recreation	TRAINING - PARK & REC	1,131	1,300	-169	-13.0
01-451-340	Culture & Recreation	ADVERTISING - PARK & REC	22,787	25,000	-2,213	-8.9
01-451-360	Culture & Recreation	UTILITIES - PARK	25,935	31,401	-5,465	-17.4
01-451-420	Culture & Recreation	DUES/SUBSCRIPTIONS - PARK	420	300	120	40.0
01-452-120	Culture & Recreation	WAGES - RECREATION	59,470	65,280	-5,810	-8.9
01-452-161	Culture & Recreation	FICA / MEDICARE	4,550	4,994	-444	-8.9
01-452-162	Culture & Recreation	UNEMPLOYMENT COMP INS	2,974	3,264	-290	-8.9
01-452-167	Culture & Recreation	WORKER'S COMP INS	3,167	2,741	426	15.5
01-452-200	Culture & Recreation	SUPPLIES - RECREATION	4,863	4,700	163	3.5
01-454-120	Culture & Recreation	WAGES - PARK MAINT.	79,387	77,125	2,262	2.9
01-454-155	Culture & Recreation	UNION HEALTH & WELAFRE	16,208	16,800	-592	-3.5
01-454-161	Culture & Recreation	FICA / MEDICARE	6,073	5,900	173	2.9
01-454-162	Culture & Recreation	UNEMPLOYMENT COMP INS	1,835	1,594	241	15.1
01-454-165	Culture & Recreation	UNION PENSION	6,750	5,310	1,440	27.1
01-454-167	Culture & Recreation	WORKER'S COMP INS	3,108	2,696	412	15.3
01-454-200	Culture & Recreation	SUPPLIES - PARK	3,155	3,245	-90	-2.8
01-454-205	Culture & Recreation	SUPPLIES - PARK ATHLETICS	12,785	13,000	-215	-1.7
01-454-210	Culture & Recreation	SUPPLIES - COMMUNITY FESTIVAL	8,728	9,000	-272	-3.0
01-454-215	Culture & Recreation	SUPPLIES - SUMMER YOUTH	3,934	2,081	1,853	89.0
01-454-300	Culture & Recreation	SPECIAL EVENTS - PARK	14,895	15,000	-105	-0.7
01-454-370	Culture & Recreation	MAINT & REPAIRS - PARK	20,138	20,000	138	0.7
01-454-371	Culture & Recreation	FIELD MAINTENANCE - PARK	18,055	21,000	-2,945	-14.0
01-454-372	Culture & Recreation	VANDALISM REPAIRS - PARK	523	1,000	-477	-47.7
01-454-600	Culture & Recreation	CONTRACTED SERVICES	30,545	30,000	545	1.8
01-454-700	Culture & Recreation	CAPITAL PURCHASE - PARK	0	0	0	0.0
01-454-710	Culture & Recreation	MINOR EQUIPMENT - PARK	1,697	1,700	-3	-0.2
01-456-500	Culture & Recreation	LIBRARY SERVICES	106,000	106,000	0	0.0
01-456-505	Culture & Recreation	CONTRIBUTION - VISITING NURSES	0	0	0	0.0
01-456-510	Culture & Recreation	HISTORICAL COMMISSION EXPENSES	0	500	-500	-100.0
		Total Culture & Recreation	559,590	568,886	-9,296	-1.6

<u>ACCOUNT</u>			2013	2013	Variance	
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
01-455-700	Shade Tree	CAPITAL PURCHASE - SHADE TREES	2,503	0	2,503	0.0
		Total Shade Tree	2,503	0	2,503	0.0
01-471-100	Debt Service	GENERAL OBLIGATION DEBT SERVICE	307,184	318,850	-11,666	-3.7
01-471-110	Debt Service	PENNVEST LOAN	19,159	19,160	-1	0.0
01-471-150	Debt Service	RATE SWAP INTEREST	0	0	0	0.0
01-471-160	Debt Service	TIF PAYMENT - EXETER COMMONS	43,879	40,000	3,879	9.7
01-475-000	Debt Service	FISCAL AGENT FEES	250	250	0	0.0
		Total Debt Service	370,473	378,260	-7,787	-2.1
01-481-161	Employee Paid Benefits	FICA/MEDICARE - GENERAL	0	0	0	0.0
01-481-162	Employee Paid Benefits	UNEMPLOYMENT COMP. - GE	0	0	0	0.0
01-483-300	Employee Paid Benefits	NON-UNION PENSION	0	0	0	0.0
01-483-310	Employee Paid Benefits	UNION PENSION/GENERAL	0	0	0	0.0
01-487-100	Employee Paid Benefits	HEALTH & HOSPICE / GENE	5,358	11,130	-5,772	-51.9
01-487-150	Employee Paid Benefits	UNION HEALTH & WELFARE	0	-2,664	2,664	-100.0
01-487-200	Employee Paid Benefits	LIFE INSURANCE - GENERAL	0	0	0	0.0
01-487-250	Employee Paid Benefits	DISABILITY INSURANCE	0	0	0	0.0
		Total Employee Paid Benefits	5,358	8,466	-3,108	-36.7
01-484-000	Workers' Comp	WORKERS COMPENSATION	0	0	0	0.0
01-484-100	Workers' Comp	WORKERS COMP/DISABILITY - REIMB	231,192	30,000	201,192	670.6
		Total Workers' Comp	231,192	30,000	201,192	670.6
01-486-351	Insurance	VEHICLE INSURANCE - GENE	58,558	57,885	673	1.2
01-486-352	Insurance	CASUALTY INSURANCE - GEN	105,447	99,910	5,537	5.5
01-486-353	Insurance	BONDING - GENERAL	2,112	2,100	12	0.6
		Total Insurance	166,118	159,895	6,223	3.9
01-491-000	Refund of Prior Yr Revenues	REFUND - PRIOR YEAR RE	5,693	0	5,693	100.0
01-492-000	Transfers to Other Funds	TR TO OTHER FUNDS - GEN	0	0	0	0.0
01-492-040	Transfers to Capital	TRANSFER TO CAPITAL	0	0	0	0.0
01-492-300	Transfers to Other Funds	APPARATUS CONTRIBUTION	0	0	0	0.0
01-492-601	Foreign Fire Insurance	FOREIGN FIRE INSURANCE	182,453	170,000	12,453	7.3
		Total Other Financing Uses	188,146	170,000	18,146	107.3
		Total Expenditures	\$9,511,493	\$9,395,620	\$115,873	1.2

ACCOUNT NUMBER	DESCRIPTION	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected
01-301-100	Real Estate Taxes	2,265,000	2,265,000	2,265,000	2,265,000	2,265,000
01-301-101	Real Estate Taxes Pr Yr	15,000	15,000	15,000	15,000	15,000
01-301-400	Real Estate-Tax Claim	120,000	120,000	120,000	120,000	120,000
	Total Real Estate Taxes	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
01-310-100	Per Capita Taxes	63,000	62,000	62,000	62,000	62,000
01-310-101	Per Capita Taxes Pr Yr	9,181	9,000	9,000	9,000	9,000
01-310-200	Real Estate Transfer Taxes	250,000	250,000	250,000	250,000	250,000
01-310-300	Earned Income Taxes	3,232,000	3,264,320	3,296,963	3,329,933	3,363,232
01-310-410	Local Services Tax	241,200	242,375	243,550	244,725	245,900
01-310-411	Local Services Tax Pr Yr	75,000	75,750	76,508	77,273	78,045
01-310-800	Business Privilege Taxes	420,188	425,440	430,758	436,142	441,594
01-310-801	Business Privilege Taxes-Pr Yr	15,000	15,188	15,377	15,570	15,764
	Total Act 511 Taxes	4,305,568	4,344,072	4,384,156	4,424,642	4,465,536
01-319-100	Penalties/Interest-Taxes	3,000	3,000	3,000	3,000	3,000
01-319-101	Penalties/Interest-Taxes Pr Yr	2,000	2,000	2,000	2,000	2,000
	Total Penalties & Interest	5,000	5,000	5,000	5,000	5,000
01-321-100	Business Priv Licenses	3,400	3,400	3,400	3,400	3,400
01-321-600	Plumbing Licenses	4,000	4,000	4,000	4,000	4,000
01-321-610	Soliciting Permits	1,000	1,000	1,000	1,000	1,000
01-321-800	Cable TV Franchise	370,000	370,000	370,000	370,000	370,000
01-321-850	Tower Franchise Fee	0	0	0	0	0
01-321-910	Road Occupancy Permits	10,000	10,000	10,000	10,000	10,000
	Total Licenses & Permits	388,400	388,400	388,400	388,400	388,400
01-331-110	Veh Code-State Fines	40,000	40,000	40,000	40,000	40,000
01-331-120	District Justice Fines	90,000	90,000	90,000	90,000	90,000

Appendix
General Fund Revenues
Projected 2014 - 2018

ACCOUNT NUMBER	DESCRIPTION	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected
01-331-130	Police Dept Fines	659	679	699	720	742
01-331-140	False Alarm Fees	1,000	1,000	1,000	1,000	1,000
	Total Fines & Forfeits	131,659	131,679	131,699	131,720	131,742
01-340-010	Interest	18,000	18,000	18,000	18,000	18,000
01-342-400	Rental Income	24,188	24,914	25,661	26,431	27,224
	Total Interest, Rents & Royalties	42,188	42,914	43,661	44,431	45,224
01-351-021	DCED Grants	36,000	0	0	0	0
01-351-024	Police Equip Grant	85,000	85,000	85,000	85,000	85,000
01-351-026	FEMA Reimb	0	0	0	0	0
01-351-028	Police Vest Grant	5,000	5,000	5,000	5,000	5,000
01-351-090	CDBG Funding	0	0	0	0	0
01-351-130	Edward Byrne JAG Grant	0	0	0	0	0
01-354-040	State Grant - Sewage Enfocmnt	2,000	2,000	2,000	2,000	2,000
01-354-100	PENN Prime Grant	0	0	0	0	0
01-354-300	Tree Vitalize Grant	0	0	0	0	0
01-355-010	Public Utility Realty Tax	10,000	10,000	10,000	10,000	10,000
01-355-040	County State Aid	0	0	0	0	0
01-355-080	Alcoholic Beverage Tax	6,000	6,000	6,000	6,000	6,000
01-355-090	State 904 Grant - Recycling	90,000	90,000	90,000	90,000	90,000
01-355-095	State 902 Grant - Recycling	91,240	0	0	0	0
01-355-120	Foreign Casualty Insurance Tax	385,000	385,000	385,000	385,000	385,000
01-355-130	Foreign Fire Insurance Tax	180,000	180,000	180,000	180,000	180,000
01-359-000	Indust Dev Auth ILO	1,500	1,500	1,500	1,500	1,500
	Total Intergovernmental	891,740	764,500	764,500	764,500	764,500
01-361-240	Liquor License Transfers	0	0	0	0	0
01-361-300	Subdivision Fees	0	0	0	0	0

ACCOUNT		2014	2015	2016	2017	2018
NUMBER	DESCRIPTION	Projected	Projected	Projected	Projected	Projected
01-361-330	Zoning Permit Fees	8,000	8,000	8,000	8,000	8,000
01-361-350	UCC Appeals	1,000	1,000	1,000	1,000	1,000
01-361-400	Fire System Plan Reviews	6,000	6,000	6,000	6,000	6,000
01-361-420	Fitness Certificate/Fire	3,000	3,000	3,000	3,000	3,000
01-361-500	Sale of Publications	1,000	1,000	1,000	1,000	1,000
01-362-110	Police Report Copies	7,500	7,500	7,500	7,500	7,500
01-362-140	Anti Drug PCCD Grant/DARE	0	0	0	0	0
01-362-150	Police Service - St Lawrence	0	0	0	0	0
01-362-160	K-9 Usage fees	0	0	0	0	0
01-362-180	Dare Contributions	0	0	0	0	0
01-362-190	Fire Police Contributions	0	0	0	0	0
01-362-210	Fire Reports	0	0	0	0	0
01-362-212	Alarm Permit Fees	650	650	650	650	650
01-362-215	Burning Permits	3,000	3,000	3,000	3,000	3,000
01-362-220	Blasting/Tank/Fireworks Permits	2,750	2,750	2,750	2,750	2,750
01-362-410	Building Permits	70,000	70,000	70,000	70,000	70,000
01-362-412	Permit Issuance Fee	2,500	2,500	2,500	2,500	2,500
01-362-415	Labor & Industry Fee	0	0	0	0	0
01-362-420	Occupancy Permits	4,590	4,590	4,590	4,590	4,590
01-362-430	Plumbing Permits	41,600	41,600	41,600	41,600	41,600
01-362-440	On Lot Sewage Permits	3,500	3,500	3,500	3,500	3,500
01-362-450	Trash Truck Permits	0	0	0	0	0
01-362-500	Subdivision Inspections	0	0	0	0	0
01-362-510	Engineering Review & Insp.	75,000	75,000	75,000	75,000	75,000
01-363-500	Contracted Highway Work	0	0	0	0	0
01-363-501	Contracted Snow Removal	500	500	500	500	500
01-363-505	Contracted Mowing - PennDOT	5,559	5,726	5,898	6,074	6,257
01-363-510	Contracted Snow Rem-PennDOT	0	0	0	0	0
01-363-515	Mulch by Scoop	500	500	500	500	500

Appendix
General Fund Revenues
Projected 2014 - 2018

ACCOUNT NUMBER	DESCRIPTION	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected
01-363-520	Sale of Mulch	0	0	0	0	0
01-364-300	Solid Waste Collection	155,000	155,000	155,000	155,000	155,000
01-364-500	Sale of Recycling Material	30,000	30,000	30,000	30,000	30,000
01-364-600	Landfill Host Fees	550,000	550,000	550,000	550,000	550,000
01-364-900	Brush/Grass Recycling	12,000	12,000	12,000	12,000	12,000
01-367-000	Park & Rec User Fees	27,566	28,117	28,679	29,253	29,838
01-367-025	Summer Sports Programs	10,000	10,000	10,000	10,000	10,000
01-367-050	Community Days	9,000	9,000	9,000	9,000	9,000
01-367-100	Sponsorships/Advertising	20,000	20,000	20,000	20,000	20,000
01-367-150	Advertising - Community Map	12,000	0	12,000	0	12,000
01-367-160	Advertising - Business Directory	0	15,000	0	15,000	0
01-367-200	Special Events-Park	15,000	15,000	15,000	15,000	15,000
01-367-500	Facilities Rental Income	25,000	25,000	25,000	25,000	25,000
01-367-600	Youth Group Contribution	23,000	23,000	23,000	23,000	23,000
01-376-200	EDAC Event Fees	0	0	0	0	0
	Total Departmental Earnings	1,125,215	1,128,933	1,126,667	1,130,417	1,128,184
01-380-100	Miscellaneous - General	0	0	0	0	0
01-380-110	Bank Chg Reimb	0	0	0	0	0
01-380-120	Revenue Share - Commerce Bank	13,000	13,000	13,000	13,000	13,000
01-380-140	Developer Contributions	0	0	0	0	0
01-380-200	Workmens Comp Reimb	0	0	0	0	0
01-387-100	Donations - Police	0	0	0	0	0
01-387-110	Walmart Grant	0	0	0	0	0
01-387-120	Lowe's Grant	0	0	0	0	0
01-387-150	Donations - DARE	0	0	0	0	0
01-387-200	Donations - Unrestricted	0	0	0	0	0
	Total Special Assessments	13,000	13,000	13,000	13,000	13,000

ACCOUNT		2014	2015	2016	2017	2018
NUMBER	DESCRIPTION	Projected	Projected	Projected	Projected	Projected
01-391-100	Sale of Assets - General	0	0	0	0	0
01-392-000	Transfer from RCC operations	0	0	0	0	0
01-392-031	Transfer from Library Capital Fund	0	0	0	0	0
01-392-060	Transfer from K-9	2,250	2,250	2,250	2,250	2,250
01-392-080	Transfer from Sewer	0	0	0	0	0
01-393-100	Bond Re-fi Revenue	0	0	0	0	0
01-394-000	Refunds - Pr Yr Expenses	50,000	50,000	50,000	50,000	50,000
	Total Other Financing Sources	52,250	52,250	52,250	52,250	52,250
	Total Revenue	9,355,020	9,270,748	9,309,333	9,354,361	9,393,836

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-400-113	General Government	WAGES - SUPERVISORS	13,500	13,500	13,500	13,500	13,500
01-400-161	General Government	FICA / MEDICARE	1,033	1,033	1,033	1,033	1,033
01-400-301	General Government	GENERAL EXPENSE - SUPER	1,500	1,525	1,554	1,587	1,621
		Total General Government	16,033	16,058	16,087	16,119	16,154
01-401-140	Administration	WAGES - ADMIN. STAFF	136,313	139,039	141,820	144,656	147,549
01-401-155	Administration	UNION HEALTH & WELFARE	21,109	22,376	23,763	25,236	26,725
01-401-157	Administration	HEALTH & HOSPITAL INSURANCE	17,990	19,069	20,252	21,507	22,776
01-401-158	Administration	LIFE INSURANCE	225	228	230	233	237
01-401-159	Administration	LT DISABILITY INSURANCE	132	133	135	137	139
01-401-161	Administration	FICA/MEDICARE	10,428	10,514	10,601	10,687	10,773
01-401-162	Administration	UNEMPLOYMENT COMP	1,132	1,141	1,150	1,160	1,169
01-401-164	Administration	NON-UNIFORMED PENSION	15,425	15,579	15,735	15,892	16,051
01-401-165	Administration	UNION PENSION	6,156	6,207	6,258	6,309	6,360
01-401-167	Administration	WORKER'S COMP INS	421	425	428	432	435
01-401-210	Administration	OFFICE SUPPLIES - ADMIN.	1,500	1,525	1,554	1,587	1,621
01-401-301	Administration	GENERAL EXPENSE - ADMIN.	15,000	15,254	15,540	15,865	16,209
01-401-302	Administration	TRAINING - ADMIN.	1,200	1,220	1,243	1,269	1,297
01-401-312	Administration	CONSULTING SERVICES	0	0	0	0	0
01-401-320	Administration	COMMUNICATIONS - ADMIN.	8,500	8,476	8,451	8,422	8,393
01-401-340	Administration	ADVERTISING/PRINTING	7,500	7,483	7,464	7,443	7,421
01-401-384	Administration	EQUIPMENT RENTAL - ADM.	300	305	311	317	324
01-401-420	Administration	DUES/SUBSCRIPTIONS/PUBL	5,500	5,593	5,698	5,817	5,943
01-401-430	Administration	PROPERTY TAXES	0	0	0	0	0
01-401-700	Administration	CAPITAL PURCHASE - ADM.	0	0	0	0	0
		Total Administration	248,831	254,568	260,633	266,971	273,425
01-402-311	Finance	AUDITING SERVICES - GEN	12,350	12,387	12,428	12,475	12,523
01-402-316	Finance	CONSULTING SERVICES	46,680	5,800	5,819	5,841	5,863
01-402-317	Finance	BANK CHARGES - GENERAL	0	0	0	0	0
		Total Finance	59,030	18,187	18,248	18,316	18,386
01-403-114	Tax Collection	WAGES - TAX COLLECTOR	20,000	20,000	20,000	20,000	20,000
01-403-161	Tax Collection	FICA / MEDICARE	1,530	1,530	1,530	1,530	1,530
01-403-210	Tax Collection	SUPPLIES - TAX COLLECTOR	7,300	7,424	7,563	7,721	7,889
01-403-315	Tax Collection	EARNED INCOME TAX EXPENSE	0	0	0	0	0
01-403-316	Tax Collection	BUSINESS PRIVILEGE TAX	10,875	11,060	11,269	11,507	11,758
01-403-318	Tax Collection	LOCAL SERVICES TAX COLLEC	7,875	8,009	8,161	8,332	8,515
01-403-353	Tax Collection	BONDING - TAX COLLECTOR	750	758	768	778	789
		Total Tax Collection	48,330	48,782	49,290	49,868	50,480
01-404-314	Legal	LEGAL SERVICES - GENERAL	51,500	51,655	51,827	52,020	52,220

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		Total Legal	51,500	51,655	51,827	52,020	52,220
01-407-200	Data Processing	DP SUPPLIES - ADMIN.	500	508	518	529	540
01-407-316	Data Processing	DP TECH SUPPORT - ADMIN.	4,526	4,540	4,555	4,572	4,589
01-407-374	Data Processing	DP EQUIP MAINT - ADMIN.	1,200	1,220	1,243	1,269	1,297
01-407-740	Data Processing	DP CAPITAL PURCH. - ADMIN.	500	508	518	529	540
		Total Data Processing	6,726	6,777	6,834	6,898	6,967
01-408-140	Engineering	WAGES - CLERICAL/ENG	58,348	58,931	59,815	60,713	60,834
01-408-155	Engineering	UNION HEALTH & WELFARE	20,286	21,503	22,836	24,252	25,683
01-408-161	Engineering	FICA / MEDICARE	4,464	4,464	4,464	4,464	4,464
01-408-162	Engineering	UNEMPLOYMENT COMP INS	602	602	602	602	602
01-408-165	Engineering	UNION PENSION	5,904	5,904	5,904	5,904	5,904
01-408-167	Engineering	WORKER'S COMP INS	266	266	266	266	266
01-408-240	Engineering	GENERAL SUPPLIES - ENG	1,500	1,525	1,554	1,587	1,621
01-408-301	Engineering	GENERAL EXPENSES - ENG	7,600	7,729	7,874	8,038	8,213
01-408-302	Engineering	MS4 CO-OP EXPENSES	500	508	518	529	540
01-408-313	Engineering	CONSULTING SERVICES	30,000	30,090	30,191	30,303	30,420
01-408-314	Engineering	SUBDIVISION INSPECTIONS	0	0	0	0	0
01-408-315	Engineering	ENGINEERING REVIEWS & INSPECTION	75,000	75,226	75,476	75,757	76,049
01-408-700	Engineering	CAPITAL PURCHASE - ENG	0	0	0	0	0
		Total Engineering	204,470	206,749	209,500	212,414	214,596
01-409-140	Building	WAGES - BUILDING MAINT.	24,748	24,995	25,370	25,751	25,802
01-409-155	Building	UNION HEALTH & WELFARE	8,442	8,949	9,503	10,093	10,688
01-409-161	Building	FICA / MEDICARE	1,893	1,912	1,941	1,970	1,974
01-409-162	Building	UNEMPLOYMENT COMP INS	266	266	266	266	266
01-409-165	Building	UNION PENSION	2,460	2,485	2,522	2,560	2,565
01-409-167	Building	WORKER'S COMP INS	1,429	1,429	1,429	1,429	1,429
01-409-200	Building	SUPPLIES - BUILDING	1,654	1,682	1,713	1,749	1,787
01-409-360	Building	UTILITIES - BUILDING	32,000	32,542	33,152	33,845	34,580
01-409-370	Building	MAINT & REPAIRS - BLDG.	15,000	15,254	15,540	15,865	16,209
01-409-375	Building	MAINT & REPAIRS - RCC	0	0	0	0	0
01-409-440	Building	TRASH COLLECTION	7,500	7,711	7,950	8,226	8,522
01-409-450	Building	CONTRACTED SERVICES - BLDG	2,000	2,034	2,072	2,115	2,161
01-409-720	Building	MAJOR IMPROVEMENTS - B	0	0	0	0	0
01-409-750	Building	MINOR EQUIPMENT - BLDG.	0	0	0	0	0
		Total Building	97,391	99,257	101,458	103,869	105,984

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
01-410-122	Police	WAGES - CHIEF	106,703	110,384	114,192	117,275	120,442
01-410-130	Police	WAGES - LT & SGTS	544,275	563,052	582,478	598,205	614,356
01-410-140	Police	WAGES - PATROLMEN	1,976,410	2,044,596	2,115,135	2,172,243	2,230,894
01-410-141	Police	WAGES - VEH MAINT	15,965	16,284	16,610	16,942	17,281
01-410-144	Police	WAGES - CLERICAL/POLICE	124,000	126,480	129,010	131,590	134,222
01-410-155	Police	UNION HEALTH & WELFARE	50,505	53,535	56,854	60,379	63,942
01-410-157	Police	HEALTH & HOSPITAL INS	819,769	868,955	922,830	980,046	1,037,869
01-410-158	Police	LIFE INSURANCE	7,416	7,499	7,589	7,691	7,798
01-410-159	Police	LT DISABILITY INSURANCE	4,117	4,163	4,213	4,269	4,329
01-410-161	Police	FICA / MEDICARE	52,020	53,815	55,671	57,174	58,718
01-410-162	Police	UNEMPLOYMENT COMP INS	16,691	17,292	17,914	18,559	19,228
01-410-163	Police	POLICE PENSION	456,349	479,166	503,125	528,281	554,695
01-410-165	Police	UNION PENSION	14,760	14,760	14,760	14,760	14,760
01-483-100	Police	POLICE PENSION	0	0	0	0	0
01-483-105	Police	POLICE PENSION - FORMER VESTED	0	0	0	0	0
01-410-167	Police	WORKER'S COMP INS	133,348	138,148	143,121	148,274	153,612
01-410-183	Police	WAGES - POLICE OVERTIME	174,250	180,262	186,481	191,516	196,687
01-410-184	Police	WAGES - POL HOLIDAY OT	87,638	90,662	93,789	96,322	98,922
01-410-185	Police	SCHOOL CROSSING GUARD	1,850	1,850	1,850	1,850	1,850
01-410-191	Police	UNIFORM MAINTENANCE - PO	5,000	5,085	5,180	5,288	5,403
01-410-200	Police	DP SUPPLIES - POLICE	2,600	2,644	2,694	2,750	2,810
01-410-220	Police	OPERATING SUPPLIES - POL	7,200	7,322	7,459	7,615	7,781
01-410-221	Police	DARE EXPENSES	0	0	0	0	0
01-410-223	Police	FIREARMS EXPENSE	21,200	21,559	21,963	22,423	22,909
01-410-225	Police	K-9 OFFICER EXPENSES	13,650	13,881	14,141	14,437	14,751
01-410-227	Police	TRAFFIC UNIT EXPENSE	7,250	7,373	7,511	7,668	7,835
01-410-231	Police	VEHICLE FUEL/OIL - POLICE	85,000	90,355	96,454	103,717	111,822
01-410-238	Police	UNIFORM PURCHASE - POLICE	21,500	21,864	22,274	22,740	23,233
01-410-239	Police	BULLETPROOF VEST PROGRAM	19,800	20,135	20,513	20,942	21,396
01-410-251	Police	VEHICLE MAINT. PARTS	28,000	28,309	28,655	29,045	29,456
01-410-252	Police	VEHICLE MAINT./TIRES	8,000	8,088	8,187	8,299	8,416
01-410-301	Police	GENERAL EXPENSE - POLICE	22,250	22,627	23,051	23,533	24,044
01-410-302	Police	TRAINING - POLICE	27,200	27,661	28,179	28,769	29,393
01-410-320	Police	COMMUNICATIONS - POLICE	167,615	189,911	217,992	251,126	257,643
01-410-374	Police	EQUIPMENT REPAIR - POLICE	4,500	4,576	4,662	4,760	4,863
01-410-375	Police	DP EQUIPMENT MAINT. POL	11,995	12,198	12,427	12,687	12,962
01-410-376	Police	RADIO EQUIPMENT REPAIR	6,000	6,102	6,216	6,346	6,484
01-410-451	Police	CONTRACTED VEH. REPAIR	15,000	15,254	15,540	15,865	16,209
01-410-740	Police	CAPITAL PURCH. EQUIP	73,299	74,541	75,938	77,527	79,209
01-410-741	Police	CAPITAL PURCH DP EQUIP	37,706	38,344	39,063	39,880	40,746

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-410-742	Police	BYRNE JAG GRANT EXPENSES	0	0	0	0	0
01-410-743	Police	WILLIAM PENN GRANT	80,000	80,000	80,000	80,000	80,000
01-410-744	Police	PENN PRIME GRANT - POL TASERS	0	0	0	0	0
01-410-750	Police	MINOR EQUIPMENT - POL	3,200	3,210	3,220	3,232	3,245
01-410-751	Police	MINOR RADIO EQUIP - POL	0	0	0	0	0
		Total Police	5,254,030	5,471,942	5,706,943	5,934,025	6,140,213
01-411-120	Fire	WAGES - FIRE ADMINISTRATION	0	0	0	0	0
01-411-220	Fire	SUPPLIES - FIRE ADMIN	100	102	104	106	108
01-411-251	Fire	VEHICLE MAINT/FUEL - FIRE ADMN	0	0	0	0	0
01-411-301	Fire	GENERAL EXPENSE - FIRE	500	508	518	529	540
01-411-302	Fire	TRAINING - FIRE ADMIN	0	0	0	0	0
01-411-305	Fire	CAPITAL EQUIPMENT - FIRE ADMN	0	0	0	0	0
01-411-320	Fire	COMMUNICATIONS - FIRE	300	299	298	297	296
01-411-420	Fire	DUES/SUBSCRIPTIONS - FIRE ADMN	0	0	0	0	0
01-411-450	Fire	INCENTIVE - FIRE VOLUNTEER	0	0	0	0	0
01-411-500	Fire	FUEL - FIRE COMPANIES	0	0	0	0	0
01-411-540	Fire	CONTRIBUTION - REIFFTON	0	0	0	0	0
01-411-541	Fire	CONTRIBUTION - STONERSVILLE	0	0	0	0	0
01-411-750	Fire	EQUIPMENT - REIFFTON	0	0	0	0	0
01-411-751	Fire	EQUIPMENT - STONERSV	0	0	0	0	0
		Total Fire	900	909	920	932	945
01-412-320	Ambulance/EMS	COMMUNICATIONS - EMS	38,480	38,372	38,257	38,129	37,996
01-412-540	Ambulance/EMS	CONTRIBUTION - AMBULANCE	4,078	4,078	4,078	4,078	4,078
01-412-541	Ambulance/EMS	CONTRIBUTION - ALS SER	0	0	0	0	0
		Total Ambulance/EMS	42,558	42,450	42,335	42,207	42,075
01-413-130	Code Enforcement	WAGES - BUILDING INSPECTOR	64,384	65,028	66,003	67,323	68,670
01-413-131	Code Enforcement	WAGES - CODE ENFORCEMENT	71,929	72,648	73,738	75,213	76,717
01-413-155	Code Enforcement	UNION HEALTH & WELFARE	37,170	39,400	41,843	44,437	47,059
01-413-161	Code Enforcement	FICA / MEDICARE	10,428	10,584	10,743	10,904	11,068
01-413-162	Code Enforcement	UNEMPLOYMENT COMP INS	1,124	1,140	1,157	1,175	1,192
01-413-165	Code Enforcement	UNION PENSION	10,824	10,932	11,039	11,147	11,259
01-413-167	Code Enforcement	WORKER'S COMP INS	984	999	1,014	1,029	1,044
01-413-220	Code Enforcement	OPERATING SUPPLIES CODE ENFCMNT	2,500	2,542	2,590	2,644	2,702
		Total Code Enforcement	199,342	203,274	208,128	213,873	219,711

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-414-132	Planning/Zoning	WAGES - PLANNING COMMISSION	31,991	31,991	31,991	31,991	31,991
01-414-133	Planning/Zoning	WAGES - ZONING BD	500	500	500	500	500
01-414-155	Planning/Zoning	UNION HEALTH & WELFARE	10,185	10,796	11,465	12,176	12,895
01-414-161	Planning/Zoning	FICA / MEDICARE	2,447	2,447	2,447	2,447	2,447
01-414-162	Planning/Zoning	UNEMPLOYMENT COMP INS	281	281	281	281	281
01-414-165	Planning/Zoning	UNION PENSION	2,952	2,952	2,952	2,952	2,952
01-414-167	Planning/Zoning	WORKER'S COMP INS	220	220	220	220	220
01-414-301	Planning/Zoning	GENERAL EXPENSE - PLAN COMM	500	508	518	529	540
01-414-302	Planning/Zoning	GENERAL EXPENSE - ZONING BD	3,000	3,051	3,108	3,173	3,242
01-414-305	Planning/Zoning	GENERAL EXPENSE - UCC APPEALS	1,000	1,017	1,036	1,058	1,081
01-406-320	Planning/Zoning	COMMUNITY MAP PUBLICATION	12,000	11,966	11,931	11,891	11,849
01-414-307	Planning/Zoning	GENL EXP - ECON DEV ADV COUNCIL	0	0	0	0	0
01-414-313	Planning/Zoning	ENGINEERING REV - PLAN COMM	0	0	0	0	0
		Total Planning/Zoning	65,076	65,729	66,448	67,217	67,997
01-415-301	Emergency Management & Communications	GENERAL EXP - EMERG MGMT	8,000	8,000	8,000	8,000	8,000
01-415-308	Emergency Management & Communications	EQUIPMENT - FIRE POLICE	47,680	48,488	49,397	50,430	51,525
01-415-309	Emergency Management & Communications	FIRE POLICE EXPENSE (SAVINGS)	0	0	0	0	0
01-415-450	Emergency Management & Communications	INCENTIVE - FIRE POLICE	18,000	18,000	18,000	18,000	18,000
		Total Emergency Management & Communications	73,680	74,488	75,397	76,430	77,525
01-421-130	Health Department	WAGES - PLUMBING INSPEC	13,000	13,000	13,000	13,000	13,000
01-421-316	Health Department	SEWAGE ENFORCEMENT FEE	5,000	5,000	5,000	5,000	5,000
01-421-540	Health Department	CONTRIBUTION - ANIMAL	2,900	2,900	2,900	2,900	2,900
		Total Health Department	20,900	20,900	20,900	20,900	20,900
01-422-450	Vector Control	MOSQUITO CONTROL	3,000	3,051	3,108	3,173	3,242
		Total Vector Control	3,000	3,051	3,108	3,173	3,242
01-427-220	Recycling	OPERATING SUPPLIES - RECYCLING	0	0	0	0	0
01-427-300	Recycling	CONTRACTED SERVICE - RECYCLING	200,000	203,387	207,200	211,534	216,125
01-427-740	Recycling	CAPITAL PURCHASE - RECYCLING	81,744	83,128	84,687	86,458	88,335
		Total Recycling	281,744	286,515	291,887	297,992	304,460

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-430-115	PW Admin	WAGES - TROUT RUN SECURITY	0	0	0	0	0
01-430-122	PW Admin	WAGES - HWY SUPT/FOREMAN	82,110	83,752	85,427	87,136	88,879
01-430-140	PW Admin	WAGES - HWY	689,110	696,001	706,441	717,038	731,378
01-430-155	PW Admin	UNION HEALTH & WELFARE	236,250	250,425	265,951	282,440	299,104
01-430-157	PW Admin	HEALTH & HOSPITAL INS	25,326	26,846	28,510	30,278	32,064
01-430-158	PW Admin	LIFE INSURANCE	245	248	251	254	258
01-430-159	PW Admin	LT DISABILITY INS	133	134	136	138	140
01-430-161	PW Admin	FICA / MEDICARE	58,998	59,465	59,931	60,398	60,868
01-430-162	PW Admin	UNEMPLOYMENT COMP INS	8,260	8,325	8,391	8,456	8,522
01-430-164	PW Admin	NON-UNIFORMED PENSION	16,699	16,866	17,035	17,205	17,377
01-430-165	PW Admin	UNION PENSION	69,940	70,493	71,046	71,599	72,157
01-430-167	PW Admin	WORKER'S COMP INS	48,529	48,913	49,297	49,681	50,067
01-430-220	PW Admin	OPERATING SUPPLIES HWY	10,000	10,169	10,360	10,577	10,806
01-430-231	PW Admin	BULK GASOLINE	0	0	0	0	0
01-430-238	PW Admin	UNIFORM RENTAL HWY	5,600	5,695	5,802	5,923	6,052
01-430-251	PW Admin	VEHICLE MAINT - GAS/OIL	84,500	85,432	86,476	87,655	88,895
01-430-252	PW Admin	VEHICLE MAINT - TIRES	12,000	12,132	12,281	12,448	12,624
01-430-253	PW Admin	VEHICLE MAINT REP PART	25,000	25,276	25,585	25,933	26,300
01-430-260	PW Admin	TOOLS/MINOR EQUIPMENT	5,000	5,000	5,000	5,000	5,000
01-430-370	PW Admin	GENERAL EXPENSE - HWY	12,000	12,203	12,432	12,692	12,968
01-430-450	PW Admin	TROUT RUN SECURITY	600	610	622	635	648
01-430-451	PW Admin	CONTRACTED VEHICLE REP.	4,000	4,068	4,144	4,231	4,323
01-430-452	PW Admin	OTHER CONTRACTED SERV	7,000	7,119	7,252	7,404	7,564
01-430-454	PW Admin	CONTRACTED SERV - MOWING	14,000	14,237	14,504	14,807	15,129
01-430-740	PW Admin	CAPITAL PURCHASE - HWY	0	0	0	0	0
		Total Public Works Administration	1,415,301	1,443,410	1,476,873	1,511,927	1,551,122
01-432-245	PW Snow Removal	SUPPLIES - SNOW REMOVAL	55,000	55,931	56,980	58,172	59,434
		Total PW Snow Removal	55,000	55,931	56,980	58,172	59,434
01-433-245	PW Traffic Control	SUPPLIES - SIGNS & SIGNALS	0	0	0	0	0
01-433-361	PW Traffic Control	ELECTRICITY - SIGNS & SIGNALS	7,300	7,297	7,293	7,289	7,285
01-433-452	PW Traffic Control	CONTRACTED SERVICES S & S	10,000	10,169	10,360	10,577	10,806
01-433-453	PW Traffic Control	CONTRACTED SERVICE - PAINTING	42,000	42,711	43,512	44,422	45,386
		Total PW Traffic Control	59,300	60,177	61,165	62,288	63,477
01-434-361	PW Street Lighting	ELECTRICITY	17,600	17,592	17,583	17,573	17,563
01-434-362	PW Street Lighting	STREET LIGHT MAINT - HWY	0	0	0	0	0
01-434-740	PW Street Lighting	CAPITAL PURCHASE - LED RETROFIT	0	0	0	0	0
		Total PW Street Lighting	17,600	17,592	17,583	17,573	17,563

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-435-120	PW Sidewalk & Crosswalks	WAGES - G.I.S.	61,729	61,729	61,729	61,729	61,729
01-435-157	PW Sidewalk & Crosswalks	HEALTH & HOSPITAL INS	10,679	11,320	12,022	12,767	13,520
01-435-158	PW Sidewalk & Crosswalks	LIFE INSURANCE	219	222	224	227	231
01-435-159	PW Sidewalk & Crosswalks	LT DISABILITY	106	107	109	110	112
01-435-161	PW Sidewalk & Crosswalks	FICA / MEDICARE	4,722	4,770	4,817	4,865	4,914
01-435-162	PW Sidewalk & Crosswalks	UNEMPLOYMENT COMP INS	503	508	513	518	523
01-435-164	PW Sidewalk & Crosswalks	NON-UNIFORMED PENSION	12,912	13,041	13,172	13,303	13,436
01-435-167	PW Sidewalk & Crosswalks	WORKER'S COMP INS	208	210	212	214	216
01-435-220	PW Sidewalk & Crosswalks	SUPPLIES - G.I.S.	1,000	1,017	1,036	1,058	1,081
01-435-370	PW Sidewalk & Crosswalks	EQUIP MAINT - GIS	10,000	10,169	10,360	10,577	10,806
01-435-740	PW Sidewalk & Crosswalks	CAPITAL PURCHASE - G.I.S.	1,800	1,830	1,865	1,904	1,945
		Total PW Sidewalk & Crosswalks	103,879	104,923	106,058	107,273	108,514
01-436-245	PW Storm Sewers & Drains	SUPPLIES - STORM SEWER	8,500	8,644	8,806	8,990	9,185
01-436-452	PW Storm Sewers & Drains	CONTRACTED SVCS - STORM	0	0	0	0	0
		Total PW Storm Sewers & Drains	8,500	8,644	8,806	8,990	9,185
01-437-245	PW Repairs of Tools & Machinery	SUPPLIES/REPAIRS - M & E	26,500	26,949	27,454	28,028	28,637
01-437-247	PW Repairs of Tools & Machinery	MAINT & REP - TUB GRINDER	16,000	16,271	16,576	16,923	17,290
01-437-452	PW Repairs of Tools & Machinery	CONTRACTED SERVICE - M & E	6,000	6,102	6,216	6,346	6,484
		Total PW Repairs of Tools & Machinery	48,500	49,321	50,246	51,297	52,410
01-438-245	PW Maintenance & Repairs of Roads & Bridges	SUPPLIES - HWY MAINT	25,000	25,423	25,900	26,442	27,016
01-438-2450	PW Maintenance & Repairs of Roads & Bridges	CLAIRE DRIVE	0	0	0	0	0
01-438-452	PW Maintenance & Repairs of Roads & Bridges	CONTRACTED SERVICE-HWY MAINT	3,500	3,559	3,626	3,702	3,782
		Total PW Maintenance & Repairs of Roads & Bridges	28,500	28,983	29,526	30,144	30,798
01-439-2452	PW Highway Construction	COUNTY STATE AID PROJECTS	0	0	0	0	0
01-439-247	PW Highway Construction	BOONE HOMESTEAD IN-KIND	0	0	0	0	0
		Total PW Highway Construction	0	0	0	0	0

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-451-120	Culture & Recreation	WAGES - RECREATION DIRECTOR	56,942	58,080	59,242	60,427	61,635
01-451-157	Culture & Recreation	HEALTH & HOSPITAL INS	25,326	26,846	28,510	30,278	32,064
01-451-158	Culture & Recreation	LIFE INSURANCE	181	183	185	188	190
01-451-159	Culture & Recreation	LT DISABILITY INS	95	96	97	99	100
01-451-161	Culture & Recreation	FICA / MEDICARE	4,356	4,400	4,444	4,488	4,533
01-451-162	Culture & Recreation	UNEMPLOYMENT COMP INS	503	508	513	518	523
01-451-164	Culture & Recreation	NON-UNIFORMED PENSION	11,911	12,030	12,150	12,272	12,395
01-451-167	Culture & Recreation	WORKER'S COMP INS	191	193	195	197	199
01-451-301	Culture & Recreation	GENERAL EXPENSE - PARK	2,700	2,746	2,797	2,856	2,918
01-451-302	Culture & Recreation	TRAINING - PARK & REC	1,300	1,322	1,347	1,375	1,405
01-451-340	Culture & Recreation	ADVERTISING - PARK & REC	25,000	24,942	24,879	24,810	24,738
01-451-360	Culture & Recreation	UTILITIES - PARK	32,000	32,542	33,152	33,845	34,580
01-451-420	Culture & Recreation	DUES/SUBSCRIPTIONS - PARK	300	305	311	317	324
01-452-120	Culture & Recreation	WAGES - RECREATION	66,586	67,917	69,276	70,661	72,074
01-452-161	Culture & Recreation	FICA / MEDICARE	5,094	5,150	5,206	5,264	5,322
01-452-162	Culture & Recreation	UNEMPLOYMENT COMP INS	3,829	3,871	3,913	3,956	4,000
01-452-167	Culture & Recreation	WORKER'S COMP INS	2,823	2,854	2,886	2,917	2,950
01-452-200	Culture & Recreation	SUPPLIES - RECREATION	5,000	5,085	5,180	5,288	5,403
01-454-120	Culture & Recreation	WAGES - PARK MAINT.	75,953	76,713	77,863	79,420	81,009
01-454-155	Culture & Recreation	UNION HEALTH & WELAFRE	16,905	17,919	19,030	20,210	21,403
01-454-161	Culture & Recreation	FICA / MEDICARE	5,810	5,866	5,921	5,977	6,032
01-454-162	Culture & Recreation	UNEMPLOYMENT COMP INS	1,770	1,787	1,804	1,821	1,838
01-454-165	Culture & Recreation	UNION PENSION	5,623	5,677	5,730	5,784	5,838
01-454-167	Culture & Recreation	WORKER'S COMP INS	3,782	3,819	3,855	3,891	3,927
01-454-200	Culture & Recreation	SUPPLIES - PARK	3,375	3,432	3,496	3,569	3,647
01-454-205	Culture & Recreation	SUPPLIES - PARK ATHLETICS	13,000	13,220	13,468	13,750	14,048
01-454-210	Culture & Recreation	SUPPLIES - COMMUNITY FESTIVAL	9,000	9,152	9,324	9,519	9,726
01-454-215	Culture & Recreation	SUPPLIES - SUMMER YOUTH	4,000	4,068	4,144	4,231	4,323
01-454-300	Culture & Recreation	SPECIAL EVENTS - PARK	15,000	15,254	15,540	15,865	16,209
01-454-370	Culture & Recreation	MAINT & REPAIRS - PARK	20,000	20,339	20,720	21,153	21,613
01-454-371	Culture & Recreation	FIELD MAINTENANCE - PARK	22,000	22,373	22,792	23,269	23,774
01-454-372	Culture & Recreation	VANDALISM REPAIRS - PARK	1,000	1,017	1,036	1,058	1,081
01-454-600	Culture & Recreation	CONTRACTED SERVICES	30,000	30,508	31,080	31,730	32,419
01-454-700	Culture & Recreation	CAPITAL PURCHASE - PARK	0	0	0	0	0
01-454-710	Culture & Recreation	MINOR EQUIPMENT - PARK	1,700	1,705	1,711	1,717	1,724
01-456-500	Culture & Recreation	LIBRARY SERVICES	115,000	115,000	115,000	115,000	115,000
01-456-505	Culture & Recreation	CONTRIBUTION - VISITING NURSES	0	0	0	0	0
01-456-510	Culture & Recreation	HISTORICAL COMMISSION EXPENSES	500	500	500	500	500
		Total Culture & Recreation	588,554	597,416	607,298	618,220	629,461

<u>ACCOUNT</u>			2014	2015	2016	2017	2018
<u>NUMBER</u>	<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
01-455-700	Shade Tree	CAPITAL PURCHASE - SHADE TREES	0	0	0	0	0
		Total Shade Tree	0	0	0	0	0
01-471-100	Debt Service	GENERAL OBLIGATION DEBT SERVICE	335,275	335,275	335,275	335,275	335,275
01-471-110	Debt Service	PENNVEST LOAN	19,160	19,160	19,160	19,160	19,160
01-471-150	Debt Service	RATE SWAP INTEREST	0	0	0	0	0
01-471-160	Debt Service	TIF PAYMENT - EXETER COMMONS	40,000	40,000	40,000	40,000	40,000
01-475-000	Debt Service	FISCAL AGENT FEES	250	250	250	250	250
		Total Debt Service	394,685	394,685	394,685	394,685	394,685
01-481-161	Employee Paid Benefits	FICA/MEDICARE - GENERAL	0	0	0	0	0
01-481-162	Employee Paid Benefits	UNEMPLOYMENT COMP. - GE	0	0	0	0	0
01-483-300	Employee Paid Benefits	NON-UNION PENSION	0	0	0	0	0
01-483-310	Employee Paid Benefits	UNION PENSION/GENERAL	0	0	0	0	0
01-487-100	Employee Paid Benefits	HEALTH & HOSPICE / GENE	11,687	12,388	13,156	13,971	14,796
01-487-150	Employee Paid Benefits	UNION HEALTH & WELFARE	1,402	1,486	1,578	1,676	1,775
01-487-200	Employee Paid Benefits	LIFE INSURANCE - GENERAL	0	0	0	0	0
01-487-250	Employee Paid Benefits	DISABILITY INSURANCE	0	0	0	0	0
		Total Employee Paid Benefits	13,088	13,873	14,734	15,647	16,570
01-484-000	Workers' Comp	WORKERS COMPENSATION	0	0	0	0	0
01-484-100	Workers' Comp	WORKERS COMP/DISABILITY - REIMB	30,000	30,000	30,000	30,000	30,000
		Total Workers' Comp	30,000	30,000	30,000	30,000	30,000
01-486-351	Insurance	VEHICLE INSURANCE - GENE	59,622	60,289	61,013	61,830	62,689
01-486-352	Insurance	CASUALTY INSURANCE - GEN	102,907	104,060	105,309	106,718	108,201
01-486-353	Insurance	BONDING - GENERAL	2,100	2,124	2,149	2,178	2,208
		Total Insurance	164,629	166,473	168,470	170,726	173,098
01-491-000	Refund of Prior Yr Revenues	REFUND - PRIOR YEAR RE	0	0	0	0	0
01-492-000	Transfers to Other Funds	TR TO OTHER FUNDS - GEN	0	0	0	0	0
01-492-040	Transfers to Capital	TRANSFER TO CAPITAL	0	0	0	0	0
01-492-300	Transfers to Other Funds	APPARATUS CONTRIBUTION	0	0	0	0	0
01-492-601	Foreign Fire Insurance	FOREIGN FIRE INSURANCE	180,000	180,000	180,000	180,000	180,000
		Total Other Financing Uses	180,000	180,000	180,000	180,000	180,000
		Total Expenditures	\$9,781,076	\$10,022,720	\$10,332,368	\$10,640,164	\$10,931,597

Summary of Recommendations

Summary of Recommendations

Below is a summary of recommendations that are included in the Exeter Township Early Intervention Plan. Page references for further information in **Chapter 8 Multi-Year Plan Adoption and Implementation** are also included. Additional details for the recommendations are located in **Chapter 7 Observations and Recommendations**.

Phase II Early Intervention Plan

1. In order to accomplish certain of the EIP recommendations and evaluate additional needs, the Township should immediately apply for Phase II Early Intervention Plan funding from the state Department of Community and Economic Development. (See page 8-2)
2. Specific goals of the Phase II EIP:
 - a. Defray the expenses associated with changing the Township from a modified cash basis of accounting to GAAP, including the hiring of an accounting firm to assist with the process.
 - b. Undergo a feasibility study to identify the specific processes and steps that are necessary to develop a program-based budget.
 - c. Explore the possibility of providing additional funds that were requested by the Fire Department; and evaluate the options available to the Township for providing Emergency Medical Services.

Financial

1. Consider becoming a Home Rule community in order to eliminate caps on EIT and real estate transfer tax (See page 8-3)
2. Consider raising property taxes as appropriate to eliminate annual General Fund deficits (See page 8-3)
3. Maintain the current cash balance (See page 8-3)
4. Consider raising the LST to \$47 (See page 8-3)
5. Examine fine, fee and charges for services amounts (See page 8-4)
6. Review current exemptions from property taxes (See page 8-4)

Accounting

1. Switch from a modified cash system to GAAP (See page 8-4)

2. Hire an accounting firm to perform quarterly review and transaction recording (See page 8-5)
3. Incorporate capital assets and long-term liabilities into the government-wide financial statements (See page 8-5)
4. Discuss including the sewer authority and library in the Township audit (See page 8-5)

Administration

1. Review the role and responsibilities of the Board of Supervisors and Township Manager (See page 8-6)
2. Create Administrative Services Manager position; reduce Township Manager's span of control (See page 8-6)
3. Enhance financial and human resource management capabilities (See page 8-7)
4. Centralize procurement and contract administration within Administration (See page 8-7)
5. Automate manual processes such as payroll and utility billing (See page 8-7)
6. Create an organization-wide strategic plan (See page 8-7)
7. Complete program identification process and evaluate feasibility of program-based budget process (See page 8-8)
8. Implement a performance management system (See page 8-8)

Police Department

1. Evaluate the current manpower limitations in connection with the current Organizational Chart and assess the ability to provide the services depicted; develop a plan to adjust manpower to meet needs; consider filling the Lieutenant position (See page 8-9)
2. Develop and implement an annual written performance evaluation system for all employees (See page 8-9)
3. Explore options to decrease 911 dispatching fee (See page 8-9)
4. Amend the police budget to include all police-related expenses (See page 8-10)
5. Create, publish and deliver a Departmental annual report of relevant crime and personnel activity (See page 8-10)
6. Include statistical information on crimes being investigated on departmental monthly and annual reports (See page 8-10)

7. Publish a summary of the number, type and disposition of complaints against officers in the department's annual report (See page 8-10)
8. Use the "rule of three" for promotions (See page 8-10)
9. Adopt and practice succession planning (See page 8-10)
10. Conduct a survey among area municipalities to determine the average municipal police service percentage cost and how the Township compares (See page 8-10)
11. Consider pursuing consolidation (See page 8-10)
12. Develop a plan to meet the future financial and operational challenges facing the Police Department (See page 8-10)
13. Review, consider and implement other recommendations as listed in the Police Department Management review (See page 8-10)

Public Works

1. Create a new Director of Public Works position, restructure the department to assign a current position to those duties, or ascribe those responsibilities to the new Administrative Services Director (See page 8-11)
2. Have a primary person in charge of engineering and code services (See page 8-11)

Reading Country Club

1. Revise the current RCC membership structure from a single seven-day membership option to a two-tiered, five-day membership and a premium seven-day membership (See page 8-12)
2. Develop a marketing plan to increase the frequency of public rounds played in order to generate additional revenue (See page 8-12)
3. Create 24 hour notice reservation cancellation fee to provide additional revenue and improved tee time schedule integrity (See page 8-12)
4. Initiate RFP processes for the Food and Beverage Contract (See page 8-13)
5. Develop a rolling five-year replacement schedule for golf course maintenance equipment to increase budgeting accuracy (See page 8-13)
6. Evaluate opportunities to sell the Reading Country Club (See page 8-13)

Administration and Management Review

Reading Country Club Review



March 2014

Benchmarking

Informed comparisons of how other local governments operate can lead to operational improvements. Municipalities often make use of new and different approaches which may evolve into best practices that can be replicated in other settings. The Novak Consulting Group conducted benchmarking research with several comparable local townships, described below.

Cumru Township, Berks County, is a community of 15,147 residents located in the southern portion of Berks County, immediately south of the City of Reading. Cumru is a first class township and operates under the First Class Township Code, as specified by the Commonwealth of Pennsylvania. Incorporated in 1737, Cumru had a median income of \$56,892 in 2011.

Lower Heidelberg Township, Berks County, is a community of 5,513 residents located in the central-western portion of Berks County, to the west of the City of Reading. Lower Heidelberg is a second class township and operates under the Second Class Township Code, as specified by the Commonwealth of Pennsylvania. Incorporated in 1842, Lower Heidelberg had a median income of \$81,900 in 2011.

Muhlenberg Township, Berks County, is a community of 19,628 residents located in the central portion of Berks County, immediately north of the City of Reading. Muhlenberg is a first class township and operates under the First Class Township Code, as specified by the Commonwealth of Pennsylvania. Incorporated in 1745, Muhlenberg had a median income of \$56,938 in 2011.

South Heidelberg Township, Berks County, is a community of 7,271 residents located in the central-western portion of Berks County, to the west of the City of Reading. South Heidelberg is a second class township and operates under the Second Class Township Code, as specified by the Commonwealth of Pennsylvania. South Heidelberg had a median income of \$67,425 in 2011.

Spring Township, Berks County, is a community of 27,119 residents located in the central-western portion of Berks County, immediately west of the City of Reading. Spring Township is a second class township and operates under the Second Class Township Code, as specified by the Commonwealth of Pennsylvania. Incorporated in 1850, Spring had a median income of \$67,961 in 2011.

Basic demographic statistics for these jurisdictions are summarized below in Table 1.

Table 1. Demographics of Benchmark Jurisdictions

Township	Population, 2010	Percent Population Growth, 1990-2010	Square Miles	Class	Miles of Local Roads
Cumru	15,147	15%	20.9	First	90
Exeter	25,550	48%	24.23	Second	123.36
Lower Heidelberg	5,513	150%	14.86	Second	28.38
Muhlenberg	19,628	55%	11.78	First	75
South Heidelberg	7,271	66%	13.81	Second	59.44
Spring	27,119	43%	18.48	Second	103.5

Data in the following sections are from 2010 unless otherwise noted. Demographic and income data are from the 2010 U.S. Census. Township taxation data is from www.township-directory.com.

Exeter Township is physically the largest of the benchmark townships, with a land area of 24.23 square miles. This is more than double the size of the smallest benchmark township, Muhlenberg, which is only 11.78 square miles. See Figure 1.

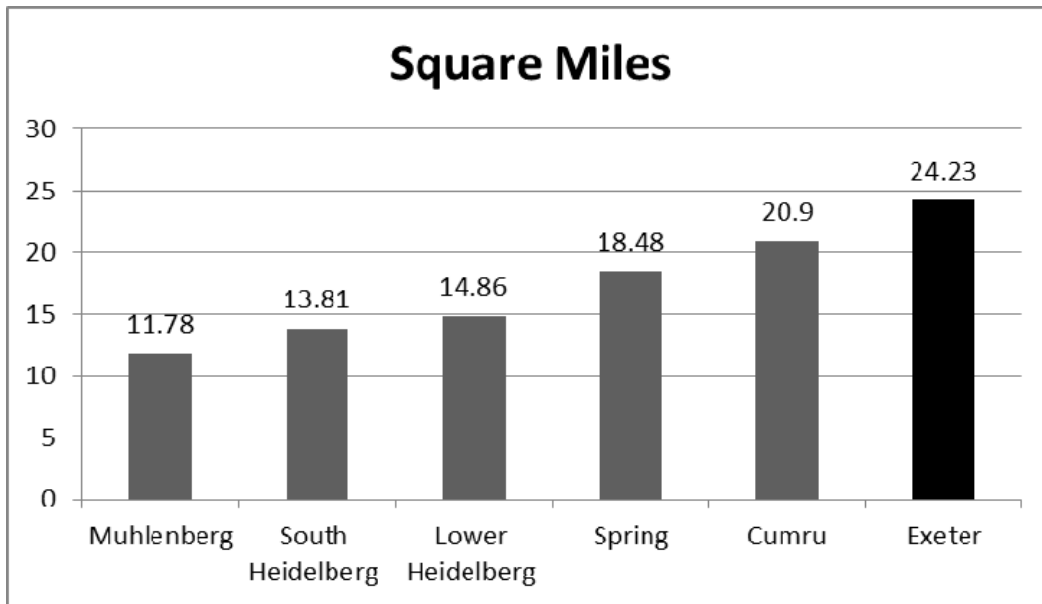


Figure 1. Benchmark Townships Land Area

The Reading area has experienced a great deal of population growth over the past twenty years. This can clearly be seen in the benchmark townships, especially in the two smallest, South Heidelberg and Lower Heidelberg. Exeter Township has seen its population increase by 48% over this time period. See Figure 2.

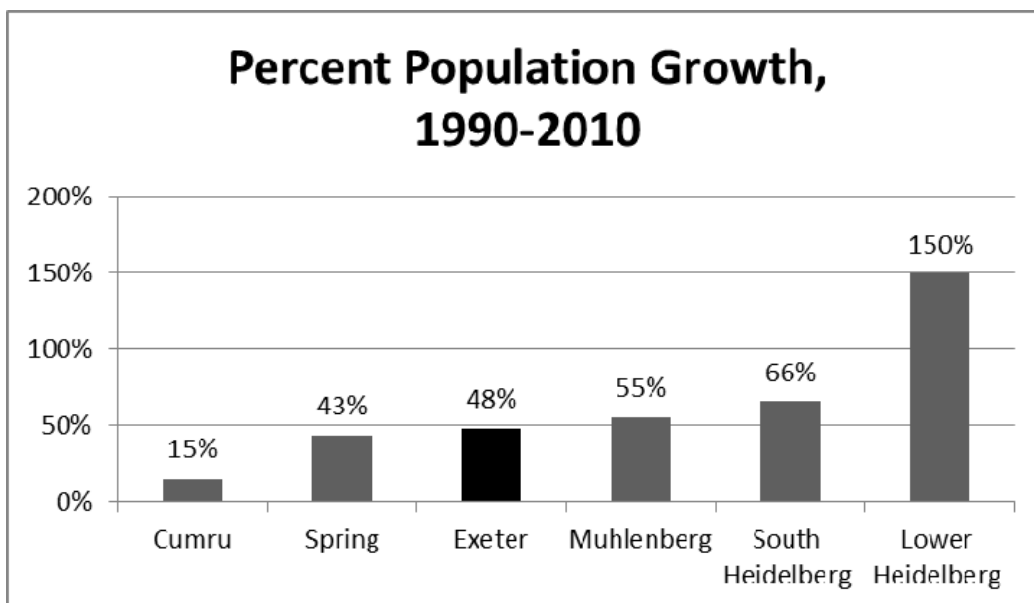


Figure 2. Benchmark Townships Percentage Population Growth, 1990-2010

Exeter Township has the second highest median income among the benchmark jurisdictions, with \$72,857. This is 10% higher than the average of all the other benchmark jurisdictions' median income. See Figure 3.

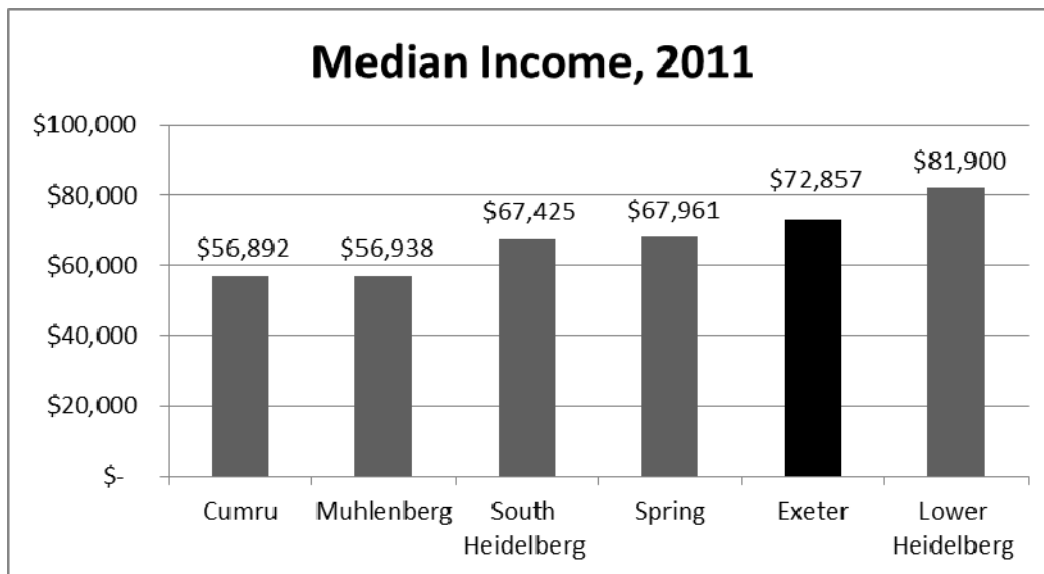


Figure 3. Benchmark Townships Median Income, 2011

Exeter Township is the lowest of the benchmark townships with respect to its total real estate millage rate of 2.87. The highest rate is found in Cumru with 5.68 mills. See Figure 4.

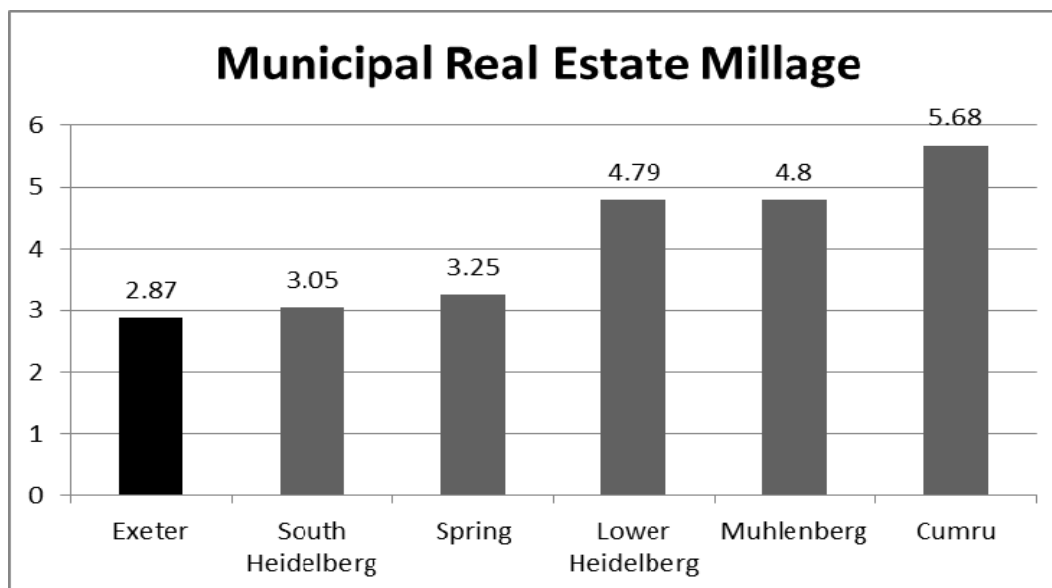


Figure 4. Benchmark Townships Total Real Estate Millage Rate

Board of Supervisors

Overview

Exeter Township, Berks County, is a second class Township which operates under the Second Class Township Code. The five members of the Board of Supervisors are elected to staggered, six-year terms and together oversee all operations of the Township, including legislative responsibilities such as enacting ordinances, adopting the Township's budget, and levying taxes.

Initiatives

BOS01.	Create an organization-wide strategic plan.	
	Target outcome:	Greater focus on priorities; increased efficiency
	Five year financial impact:	Not Available
	Responsible party:	Board of Supervisors

There is currently no strategic plan for Exeter Township, and this has created a lack of priority setting and focus across the organization. While individual departments will identify and seek to accomplish goals on an ad hoc basis, these efforts are not linked to a larger, Township-wide vision or priorities set by the Board of Supervisors. As the elected body of Exeter Township, the Board of Supervisors should establish a clear vision and key priority areas for the Township. Without a deliberate identification of priorities, there can be little strategic allocation of resources. Furthermore, without a unity of purpose, departments may function independently and perhaps even autonomously, creating an organization of silos which is inefficient and often counterproductive.

A comprehensive strategic planning process considers the mission of an organization and articulates that organization's values by preparing an environmental scan. An environmental scan identifies the factors affecting the organization, establishes goals, identifies priority strategies, and creates implementation plans. Typical factors assessed include fiscal constraints and opportunities, service demand drivers (such as Exeter's consistent population growth), policy issues, legislation, demographic characteristics of the community, and workforce issues. A "SWOT" (Strengths, Weaknesses, Opportunities, Threats) analysis is normally part of an environmental scan. An employee survey can also provide useful information which can be used as the initial basis for the SWOT analysis.

Strategic goals established by the Board of Supervisors guide the Township's budget decisions, allocation of resources such as staff time, and overall direction of each Township department. Goals can be broadly viewed as invitations for change and improvement in a planned environment that will provide the necessary resources and coordination for success. They provide the larger context for the specific actions the organization takes. They can also help the Board of Supervisors decide which among many worthwhile projects/initiatives in Exeter should be done, and when, within the Township's available resources.

Strategies are the means to achieve meaningful and attainable goals. They organize the individual tasks that must be assigned, with sufficient earmarked resources, to Township staff that will be responsible for the implementation of the direction established by the Board of Supervisors. Tasks and assignments must be achievable within the scope of their allocated

resources. Additionally, tasks and assignments should be given with clear direction and attainable time frames, with periodic checking in on progress, changes, and challenges.

The Township would benefit from a comprehensive strategic planning process, which carries through to specific work plans for departments that support the overall organization-wide strategic plan. Once the strategic plan has been developed by the Board of Supervisors, the Township Manager should be tasked with its implementation. This includes presenting items for action (e.g. policy matters, budget considerations) to the Board of Supervisors, when necessary, that are in alignment with the strategic plan. The Manager should also be responsible for reporting the progress of implementation to the Board of Supervisors on a routine basis, such as quarterly. In this way, the Board of Supervisors can be assured that the Township's resources have been deployed effectively in a manner consistent with their priorities and that the efforts of the Township's departments and employees are united in direction and focus, as outlined in the strategic plan.

BOS02.	Review the roles and responsibilities of Board of Supervisors and Township Manager.	
	Target outcome:	Greater focus on priorities; increased efficiency
	Five year financial impact:	Not Available
	Responsible party:	Board of Supervisors

Based on interviews with both staff and elected officials, it is apparent that Exeter's executive leadership is currently blended between the Board of Supervisors and the Township Manager. There are individual Supervisors actively involved in operational issues, a situation that creates multiple perceived seats of authority for Township employees. This confusion can lead to ineffective management in the organization. The Township should review the roles of the Township Manager and the Board of Supervisors, as delineated in the Code, as they pertain to the everyday administration of the Township.

According to the Pennsylvania Second Class Township Code, "The board of supervisors may by ordinance at any time create the office of township manager and may in like manner abolish the office...the powers and duties of the township manager shall be established by ordinance." (Section 1301(a))

The current Township Manager ordinance was last updated in 1997. It clearly establishes the Township Manager as the chief administrative officer of the organization and states that the Manager shall "supervise and be responsible for all activities of all Township departments, except the law enforcement activities of the Police Department." (Chapter 61-6A, 61-6C(1)) The Manager is also granted explicit hiring and firing authority over all staff under his or her supervision. Further, the ordinance states that, "Directives to the Township Manager, other than requests for correspondence or other non-impacting inquiries, should be done by a majority vote of the Board of Supervisors and not by a single member of the Board." (Chapter 61-6D) These provisions of the Township Manager ordinance are all best practices in the implementation of a council-manager form of government and should be carried out in practice.

The council-manager form of government uses the metaphor of the corporation, where the Board of Supervisors acts as the Township's Board of Directors and the Township Manager as the appointed Chief Executive Officer. This form of government establishes a clear delineation between the policy and administration functions of the organization. Separating the Board of Supervisors from the day-to-day operations of the organization is intended to encourage the elected officials to view the organization in a strategic and goal-oriented way. It allows the Board to focus on policy, direction, results, and how best to strategically orient the Township for the

future. It is the role of the Township Manager to implement the policy and direction established by the Board of Supervisors. For employees, it allows for the creation of a clear line of accountability from their supervisor to the Township Manager.

The Township Manager in the council-manager form of government is a professional manager who should:

1. Work in partnership with elected officials to develop sound approaches to community challenges by bringing together resources to make the right things happen and produce results that matter;
2. Promote ethical government through commitment to a set of ethical standards that goes beyond those required by law;
3. Encourage inclusion and build consensus among diverse interests (including those of elected officials, the business community, and citizens) by focusing on the entire community rather than the centralized interests of one or two individuals;
4. Promote equity and fairness by ensuring that services are fairly distributed and that administrative decisions (such as hiring and contracting) are based on merit rather than favoritism;
5. Develop and sustain organizational excellence and promote innovation. Professional managers focus relentlessly on efficient and equitable service delivery, policy implementation, and evaluation. They align the local government's administrative systems with the values, mission, and policy goals defined by the community and elected officials.¹

In order for Exeter's form of government to be effective, all parties (elected and staff) must clearly understand their role and stay within their scope of responsibility as articulated by the Code.

Administration

Overview

The Administration function of Exeter Township includes a variety of disciplines intended to support the operations of the Township. Three full-time and one part-time Administration staff members currently report to the Township Manager. Collectively they are responsible for the following primary functions:

Budget Development – This is primarily carried out by the Township Manager and the Finance Manager. The draft budget is prepared by staff and presented to the Board of Supervisors for ultimate adoption. Ongoing budget monitoring takes place throughout the year.

Financial Management – This includes maintaining the general ledger, posting journal entries, handling cash receipts, processing both accounts payable and accounts receivable, cash management, routine financial reporting, and grants management.

Board of Supervisor Support – Staff, primarily the Township Manager, is responsible for responding to requests for information from the Supervisors. Additionally, staff is also responsible for agenda preparation, keeping meeting minutes, and maintaining Township records.

Human Resources – Supporting the Township employees includes managing recruitments, contract negotiations, issuing payroll, serving as the Right to Know Officer, benefits administration, worker's compensation, and handling other related employee inquiries.

¹ ICMA. "Council-Manager Form of Government Frequently Asked Questions."

Information Technology (IT) – IT functions include assisting staff with computers, GIS mapping, website and SharePoint™ site management, server maintenance, and utility locates.

Customer Service – Administration staff are responsible for answering phones, serving as receptionist for walk in customers, handling sewer/utility billing, processing payments for various Township services and programs, sorting and delivering mail, and other general front desk duties.

While not directly provided by Administration staff, **Engineering & Code Enforcement** is also supervised by the Township Manager. Because of the relatively small staff and their location in the Township Building, Administration staff and Engineering & Code Enforcement staff have served as back up for each other, primarily in the areas of customer service. Engineering & Code Enforcement is comprised of four full time employees responsible primarily for plan review and inspections for zoning, building code, and code enforcement. The staff is supplemented by a part time plumbing inspector and has a contractual relationship with Great Valley Consultants, an engineering firm to provide professional engineering services. The Township does not have a professional engineer (PE) on staff.

Initiatives

ADMIN01.	Create Administrative Services Manager position; reduce Township Manager’s span of control	
	Target outcome:	Improved division of labor; increased executive capacity
	Five year financial impact:	Not Available
	Responsible party:	Township Manager; Board of Supervisors

According to the Township’s organizational chart, the Township Manager currently has 10 direct reports: Business & Personnel Administrator; Finance Manager; Highway Superintendent; Parks & Recreation Superintendent; Waste Water Treatment Superintendent; GIS/IT Administrator; and all four employees within Engineering & Code Enforcement.

In addition to these supervisory responsibilities, the Township Manager may serve in numerous other capacities outlined under the Township Manager ordinance including Township Secretary, Township Treasurer, Township Engineer, Superintendent of Roads, Zoning Officer, Building Inspector and Purchasing Agent. Other duties that are detailed in the ordinance include human resources functions, budget preparation and budget administration. (Chapter 61-6(6). This is a wide breadth of responsibility. Practically speaking, the Township Manager also performs numerous day to day tasks, such as making bank deposits and providing back-up to payroll, which are extremely clerical in nature and are not appropriate to be part of the Township Manager’s daily responsibilities.

The current organizational structure causes the Township Manager to spend a great deal of time personally addressing day to day clerical and administrative tasks that take away from the Township Manager’s ability to focus on the important, executive level planning and management issues of the organization.

Because most organizational and reporting structures, especially those in growing organizations, have evolved over time, there is often substantial opportunity to gain efficiency and effectiveness by thoughtfully and systematically redesigning the structure. There is no one ideal structure, but it is possible to assess the effectiveness of the existing span of control (i.e. number of positions that directly report to a given management position) at the executive level

to determine if the creation of a layer of middle management would benefit the overall performance of the organization.

The structure currently in place in Exeter is one that has evolved over time and was appropriate in the past. However, Exeter has grown significantly in size. It is no longer a small organization. As a result, the issues that the organization faces are more complex and require a higher skill level among employees than was needed in the past in order to provide high quality, efficient services to Township residents and customers.

In a study of their own spans of control, the City of Seattle, Washington created the following guide of factors that influence the most effective spans of control for given work responsibilities. As can be seen at the top of the guide, increasing work complexity correlates positively with the need for lower spans of control. Additionally, as the supervisory position's burden of non-supervisory duties increases, so does the need for a lower span of control. See Figure 5.

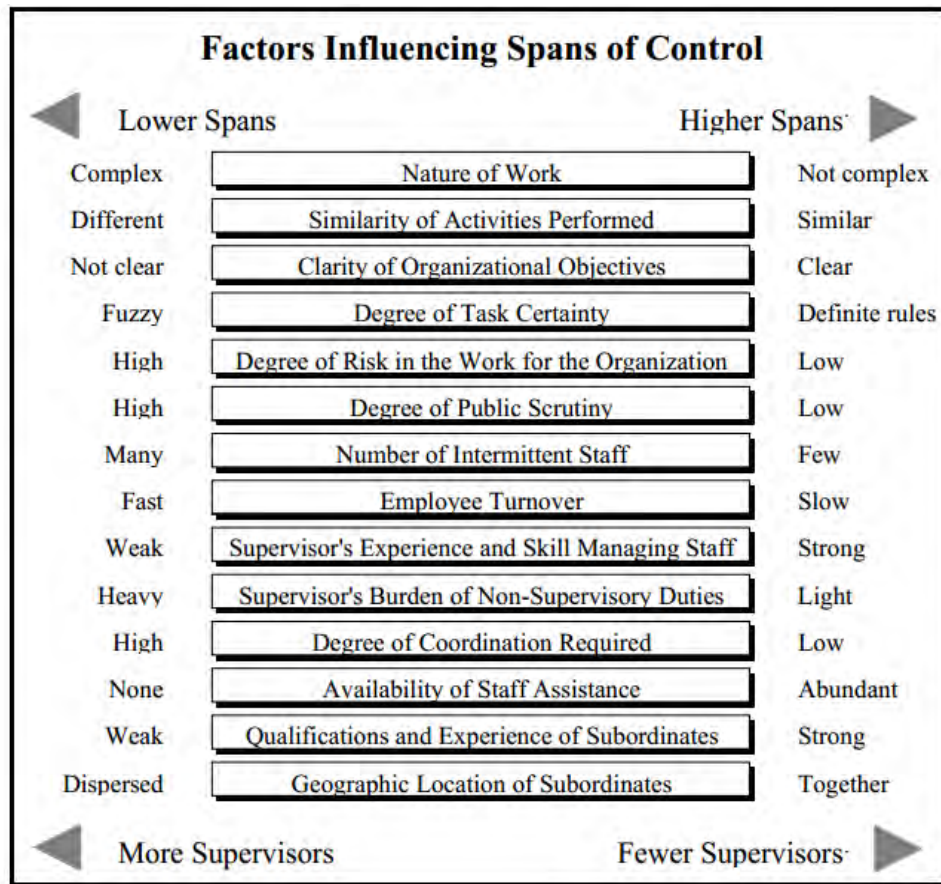


Figure 5. Management Span of Control Guide

The Township Manager not only currently manages a number of day to day administrative, non-supervisory tasks, but also must make time, to the degree that it is possible, for higher level, executive tasks such as implementing the strategic plan of the Board of Supervisors (See Initiative BOS01). In order for the Township Manager do to this, it will be necessary to restructure the current reporting and workflow relationships among the Township's administrative staff and create a new position of Administrative Services Manager and reduce the Township Manager's number of direct reports.

The following figure depicts the recommended organizational structure.

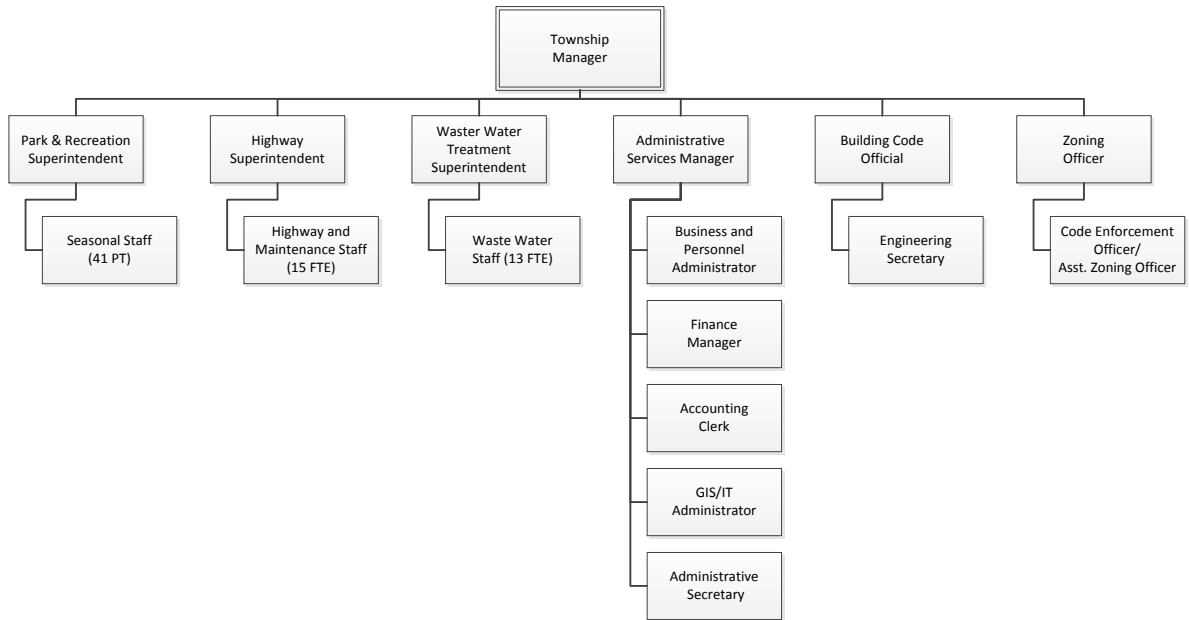


Figure 6. Recommended Organizational Structure

The recommended structure reduces the Township Manager’s span of control from 10 direct reports to six. This includes a change in the structure of the reporting relationships within Engineering & Code Enforcement. Currently, all four employees report directly to the Township Manager. This is not an efficient or effective structure. The Administrative Services Manager position will assume responsibility for the management of the administrative functions and eliminate the need for the Township Manager to spend time on clerical duties. As a result, the Township Manager will have capacity to focus on the strategic issues of the organization.

It is important to note that the recommended reporting relationships and structure will only be effective if fully implemented. The growth of the Township and the complexity of the financial and operational challenges it currently faces require a higher level of executive management than has been necessary in the past. It is not practical for the Township Manager to be involved in so many day to day issues (e.g. inputting payroll, making bank deposits) while still effectively leading the organization during this critical period. This is important for the long term sustainability of the Township.

ADMIN02.	Enhance Township’s financial and human resources management capabilities.	
	Target outcome:	Increased effectiveness, efficiency, accountability
	Five year financial impact:	Not Available
	Responsible party:	Township Manager

Exeter Township has seen a nearly 50% increase in population since 1990. With this growth in residents has come a proportional increase in demand for public services and thus an increase

in the scale and complexity of Township operations. Yet despite these trends, the size and expertise of the administrative function of the Township has not kept pace.

As discussed in the previous recommendation, currently the Township Manager maintains primary responsibility over human resource management tasks in the Township. The Business and Personnel Administrator plays a key supporting role, mainly focused on the processing of payroll, employee benefits, and worker’s compensation, with the Township Manager providing backup for the process functions as needed. However, there is no true human resources professional in the organization.

This lack of professional human resources expertise is common among the benchmark townships as well. In fact, the only benchmark with a professional Human Resources Director is Spring Township. It should be noted, however, that Spring is also the most populous of all the benchmarks, a reality that brings with it increased complexity and staffing levels in local government. While small benchmark townships such as Lower Heidelberg and South Heidelberg are not yet facing the growth that Exeter is dealing with, Spring and Muhlenberg are both at the level where professionalization of the human resource function becomes a priority.

Additionally, the Township’s need for financial expertise has also increased. Through this Early Intervention Program, the Township will be provided with numerous recommendations intended to strengthen the Township’s fiscal capacity and long term sustainability. Implementation of these initiatives will require a strategic budget and financial management skill set that is not currently available within the Township’s existing staff. Therefore it will be imperative that the Administrative Services Manager have demonstrated experience in human resource management, budget development, and financial management.

The Administrative Services Manager should be a non-union management staff position and should work closely with the Township Manager to ensure successful implementation of the financial and personnel recommendations. Additionally, the Administrative Services Manager should be tasked with determining the competencies needed in the department, assessing the proficiencies of staff, and providing appropriate training as needed to ensure staff has the opportunity to develop their skills in the best interest of the Township.

ADMIN03.	Implement a performance management system	
	Target outcome:	Increased effectiveness, efficiency, accountability
	Five year financial impact:	Not Available
	Responsible party:	Township Manager

One of the ways in which the Township Manager and the Board of Supervisors can be assured that the organization is functioning effectively (or be alerted to impending issues or problems) is by developing a performance management system and reviewing regular management reports with each major function in the Township. The Township Manager should meet with managers of each of the major functions to discuss detailed updates on all key projects and initiatives.

A performance management system is a process tool designed to ensure that the work of both employees and management is focused on the vision and strategic goals of the organization being served. Effective performance management systems aim to focus employees’ work in ways that directly support the organization’s strategic plan. Further, these systems monitor the organization’s progress toward achieving goals and priorities identified in the strategic plan. A performance management system typically consists of three core elements:

1. Setting goals and creating a strategic plan;
2. Measuring performance against established performance goals; and
3. Sustaining a dialogue between management and employees to ensure the work of the organization is being completed in conformance with established schedules.

Together these three elements create a system which organizes the efforts of an organization from the point of goal identification all the way through final completion.

A performance management system includes all of the processes through which managers plan and manage the work of the organization—strategic planning, budgeting, work planning—to fulfill the organization’s mission and produce the desired outcomes. But the collection and use of performance measurement data is the one element that enables a performance management system to allow management to bolster these techniques with accurate information relating to the organizations effectiveness and challenges in performing given tasks, and thus enabling management to modify past practices in order to best accomplish strategic goals.

The use of performance measures is an excellent management tool to help assess the overall effectiveness of services that are being provided and determine if resources are being allocated efficiently. All Township programs should be subjected to measurement to determine current levels of effectiveness and efficiency. If performance is measured systematically over time, the Township will have information to improve quality, timeliness or cost. Performance measures then become part of the organization’s regular dialogue about program goals, budget allocations, and accomplishments. It will augment and support the Township’s strategic planning and evaluation practices. Samples of suggested performance measures for all Township programs are included in Attachment A.

In addition to accurately monitoring program performance, a good performance management system employs discipline. Under such a system, managers meet with employees on a regular basis to review individual, department, and organizational performance information and to discuss successes or challenges that have resulted in positive or negative performance outcomes. As the regularity and discipline of the performance management system and these meetings becomes ingrained in the organization’s operations, discussions about performance will become focused on best practices that will enable better and better performance. This type of management system allows managers to avoid total crisis management, as the rigor of the system will open thoughtful, process-oriented lines of communication that will bring ongoing issues to light and not allow them to manifest as blindsides crises.

ADMIN04.	Complete program identification process and evaluate feasibility of developing program-based budget process	
	Target outcome:	Improved organizational efficiency, strategic capability
	Five year financial impact:	Not Available
	Responsible party:	Township Manager

The Exeter Township budget process currently includes four major steps. First, the Finance Manager and the Township Manager develop revenue projections for the upcoming year which are then translated into budget direction for departments. Using revenue and expenditure direction from the Township Manager, departments then develop proposed budgets that reflect their unique experience and understanding of upcoming expenses. Departments then present their proposed budgets to the Board of Supervisors, in line-item form, for consideration, amendment, and approval.

Though this budget process is consistent with common municipal practice, the approach of presenting a line item budget to the Board of Supervisors for consideration has inherent limitations. Municipal managers, as the parties responsible for managing their department's budgets, possess a detailed understanding of how line item budget figures translate into services. This understanding is the result of experience, the familiarity that comes from daily interaction, and training in the relevant municipal field. The Board of Supervisors, whose ultimate responsibility it is to determine which programs and services the Township should fund, does not (and should not) maintain that level of understanding; it is not their responsibility to directly manage programs on a daily basis. Rather, they are tasked with setting the programmatic and policy framework that Township employees are tasked with implementing.

The approved budget serves as the Township's annual policy document in that it defines where the Township will invest resources and where it will not. Therefore, it is critical for the budget development and deliberation process to be structured to maximize the availability of useful information to policy makers.

One best-practice approach used to meet this objective is to adopt a program-based budgeting process. Traditionally, local governments develop and organize budgets by department or division. For example, a police department budget might be organized by patrol, investigations, emergency communications, etc. A program-based budgeting process seeks to structure the budget by the discreet services, or programs, that a department provides. Using the prior example, under a program-based budgeting model, a police department's budget might be organized by patrol, community-oriented policing, general investigations, special investigations, etc.

This approach offers a number of tangible benefits that serve to demystify the budget for both elected officials and residents, while leading the organization toward a performance-driven budgeting process. A program-based budget defines each program or service, the purpose of the program, the FTE level assigned to that program, and the cost of delivering the specific program. In other words, a program-based budget clearly defines what services tax dollars fund and how much each service costs.

This is a useful and transparent way to discuss the budget and a proven approach to generating thoughtful discussions about budgeting decisions, which is the fundamental goal of the budget development process.

It is important to note, however, that developing a program-based budget is a significant undertaking. It not only requires a revision to the budgeting process, which is challenging enough, but it requires that the Township to revise its accounting practices and account codes to be able to effectively monitor budgeted versus actual expenses. This effort would require a significant staff commitment, not only from the Township Manager and financial staff, but from department directors and program managers. As such, it is recommended that the Township undergo a feasibility study to identify the specific processes and steps that are necessary to develop a program based budgeting process. This process should be led by the new Administrative Services Manager (ADMIN01), under the support and direction of the Township Manager.

While this process will take time to complete, the Township can immediately begin to implement an effort to increase the availability and usefulness of data available to the Board of Supervisors during budget deliberations. Specifically, the Township can embark upon developing a program identification matrix to be shared with the Board of Supervisors. The matrix should include, at a minimum, the following columns:

1. Department – List the Department name
2. Division – List the Division name
3. Program – List the program name

4. Program Purpose Statement – Describe the purpose of the program. What is the overall goal of the program and how does the Township achieve the goal. For example, “The Police patrol program maintains the safety and security of Township residents, business owners, and visitors by responding to emergency calls for service and patrolling community areas to prevent crime and react to crimes in progress.”
5. Mandates – Is the program mandated by Federal, State or Local laws?
6. Grants – Is the program supported with grant funds? If so, what grants, for how much, and for what duration. Township match amounts should also be specified.
7. Revenue – Does the program generate revenue? List annual revenue amounts for the General Fund and all other funds.
8. FTE – How many FTEs, by fund, are assigned to the program?
9. Budget – What is the budget, by fund, for the program?

Completing the program definition process will also serve the foundation for developing a program-based budget. The combination of these two efforts will ultimately lead to a more transparent and substantive budget development process.

ADMIN05.	Centralize procurement and contract administration within Administration.	
	Target outcome:	Increased efficiency
	Five year financial impact:	Not Available
	Responsible party:	Administrative Services Manager

Currently, Exeter Township’s purchasing and contracting function is managed by the Zoning Officer. Because of the regular workload for the Zoning Officer, it is not reasonable to expect this position to assume this additional responsibility. Therefore it is recommended that all procurement and contract administration be centralized and managed by the Administrative Services Manager.

Purchasing is a professional vocation that has a professional association, the American Purchasing Society (APS), and a certification to become a Certified Purchasing Professional. While Township employees know what they need to accomplish their jobs, a professional Purchasing Agent is concerned with how to acquire goods and services at the best price and is skilled in bidding, negotiations, and contracting, and can utilize these skills to drive down costs while simultaneously bringing up the levels of service the Township receives. Additionally, centralizing purchasing will allow the Township to take better advantage of economies of scale, ranging from acquisition of office supplies to equipment and vehicles. Furthermore, centralized purchasing will allow for improved tracking of Township funds. It will also have the additional benefit of unburdening the Zoning Officer and some of the operating departments that already spend a substantial amount of time on procurement functions.

Ideally, a centralized purchasing function should provide detailed guidance and oversight to all Township employees in developing requests for quotes/qualifications (RFQ) or proposals (RFP), evaluating and selecting vendors, negotiating costs, and other strategic purchasing decisions. The Purchasing Agent should work closely with Township departments to ensure that all purchasing decisions are made in a thorough, informed manner and that all purchasing processes comply with applicable local, Commonwealth and Federal regulations.

ADMIN06.	Automate manual processes, such as payroll and utility billing.	
	Target outcome:	Increased efficiency
	Five year financial impact:	Not Available
	Responsible party:	Township Manager

Exeter Township currently uses a paper-based timecard system to track employees' hours. Additionally, the Township's payroll process is fully manual, requiring administrative staff to perform data entry and verification. This is an inefficient process that creates the possibility of unnecessary errors. Payroll is processed in-house by the administrative staff. This paradigm is common among the benchmark townships as well, as can be seen in Table 2.

Table 2. Benchmark Township Timekeeping and Payroll Processes

Township	Timekeeping	Payroll
Cumru	Paper-based	In-house
Exeter	Paper-based	In-house
Lower Heidelberg	Paper-based	In-house
Muhlenberg	Paper-based	Contract
South Heidelberg	Paper-based	In-house

Despite this status quo of paper-based, in-house timekeeping and payroll, these are not best practices, especially in jurisdictions experiencing growth and its associated increases in complexity and scale. Note that Muhlenberg Township outsources its payroll function to the company Total Payroll. Although they still use a paper-based timecard system, payroll processing is handled by their contract firm, which lowers the possibility of errors and frees their administrative staff from this time consuming clerical function.

In a 2011 white paper, time tracking software company Attendance On Demand noted the "4 Cs" that make up timekeeping system best practices:

1. Compliance – customizable to the organization's needs while maintaining conformance with relevant rules and regulations
2. Confidentiality – allows employees and managers to communicate privately within the system about payroll issues
3. Camaraderie – works with organization's existing computer systems
4. Current – vendor monitors changes to payroll regulations and updates system appropriately

A modern, contract payroll provider will allow the Township to increase performance in each of these categories.

With regard to utility billing, the Township currently produces all bills in-house. Payment is accepted on-line (the only Township fee that residents/customers can pay electronically), as well as by mail and in person at the Township Building. The processing of all receipts is completed manually and entered into the Harris system. This is a time consuming process that can be automated to be more efficient and less prone to errors.

Local governments in the process of growth face a challenge in the provision of transactional services such as payroll and utility billing. The increased scale and complexity of the task, caused by the growing employee/customer roster, makes these processes an undertaking that cannot be effectively managed by a small administrative staff, as just one among their many duties. However, at the same time, the scale of the task may not yet be at the level where a specialized position could be created exclusively for it. This being the case, automating existing procedures and considering contracting out these services to firms with specialized knowledge of the needs of Pennsylvania townships is a viable option.

Attachment A: Suggested Performance Measures

Department	Suggested Performance Measures
Administration	<ul style="list-style-type: none"> • Percent of strategic plan goals implemented as scheduled • Percent of strategic plan goals implemented as budgeted <p><u>Financial Management</u></p> <ul style="list-style-type: none"> • Number of findings in the annual audit • Number of audit adjustments passed in the annual audit • Percent change in the number of general ledger corrections made • Ratio of budgeted to actual expenditures • Percent of operating budget supported by tax revenues • Ratio of actual year end fund balance to projected • Percent of payroll checks/direct deposits processed without error <p><u>Human Resources</u></p> <ul style="list-style-type: none"> • Turnover rate • Working days to complete a recruitment • Number of employee grievances and appeals per FTE • Percent of grievances resolved before passing from management control • Benefit funding level per employee per year • Percent of new hires completing introductory period • Percent of employees receiving training as scheduled • Percent of employees receiving annual professional development training • Percent of performance reviews completed as scheduled • Percent change in the value of worker's compensation claims filed • Lost time incidence rate • Number of claims processed per FTE, by type • Cost per claim processed, by type • Percent change in the number of worker's compensation claims filed • Percent change in the number of safety incidents reported • Percent change in the number of property loss claims filed • Expenditures for liability claims per capita • General liability claims per 1,000 population served <p><u>Information Technology</u></p> <ul style="list-style-type: none"> • Number of requests for assistance calls received per FTE • Percent of requests for assistance resolved within 4 and 8 hours • Average number of network outages • Average duration of network outages
Police	<ul style="list-style-type: none"> • Number and type of calls for service • Average call response time (from dispatch to arrival) • Crime rate (major crimes per 1,000) • Clearance rate (by crime type) • Percent change in business crimes (e.g., commercial break-ins; commercial vandalism; shoplifting; commercial auto thefts) • Percent change in juvenile crimes (e.g., reported crimes on school grounds; police reports of incidents where suspect is under the age of 18)

	<ul style="list-style-type: none"> • Percent change in vehicle-related incidents (e.g., vehicle crashes, vehicle crashes with serious personal injuries or fatalities, traffic-related pedestrian injuries or deaths) • Ratio of recorded crimes to arrests • Juvenile crime arrests (as a percent of all arrests) • Sworn officers per 1,000 residents • Total hours of in-service training conducted • Required accreditation standards in compliance • Average overtime hours worked per FTE • Percent change in overtime worked per FTE
<p>Fire (to request from Volunteers and Exeter Ambulance Association, as applicable)</p>	<ul style="list-style-type: none"> • Number of calls for service by type • Number of call for service by district • Fire rate • Fire spread • Response and control times for fires • Average response time for first suppression unit • Fractal measures of initial and full alarm assembly • Rate of civilian fire death and injury (fire incidents) • Rate of firefighter fire death and injury (fire incidents) • Number of human saves and rescues (fire incidents) • Number of property saves (fire incidents) • Rate of structure fires in inspectable properties • Fire loss in inspectable versus non-inspectable properties • Number of inspection/code violations and rate of correction • Average overtime hours worked per FTE • Percent change in overtime worked per FTE
<p>Public Works</p>	<p><u>Engineering</u></p> <ul style="list-style-type: none"> • Cost per CIP project managed • Percent of CIP projects completed within budget • Percent of CIP projects completed on schedule • Number of projects managed per FTE • Number of reviews completed per FTE <p><u>Vehicle Maintenance</u></p> <ul style="list-style-type: none"> • Percent of preventative maintenance completed as scheduled • Average number of calendar days to complete a work order • Overall fleet availability • Hours worked per vehicle or equipment • Percent of fleet expenditures contracted out <p><u>Street Maintenance</u></p> <ul style="list-style-type: none"> • Cost per repair completed (by type) • Number of staff hours per snow event worked • Street sweeping expenditures per linear mile swept • Percent of work orders completed within 3 working days • Average number of calendar days required to complete work (by type) • Percent change in the tons of debris collected through street sweeping

	<ul style="list-style-type: none"> • Percent of preventative maintenance completed as scheduled • Percent change in the number of snow events responded to • Percent of streets cleared within 24 hours of a snow event • Road rehabilitation expenditures per paved lane mile <p><u>Water and Sewer</u></p> <ul style="list-style-type: none"> • Average number of calendar days required to complete work (by type) • Cost per linear foot of pipe maintained (by type) • Percent of inspections completed as scheduled (by type) • Percent of preventative maintenance work completed as scheduled (by type) • Percent of work orders closed within 48 hours of receipt (by type) • Percent of emergency calls responded to within 4 hours (by type) <p><u>Building Maintenance</u></p> <ul style="list-style-type: none"> • Number of custodial project work orders per FTE • Average response time for custodial non-emergency repairs • Average number of calendar days required to complete work order (by type) • Percent of preventative maintenance completed as scheduled • Percent of repair work orders completed within 5 and 10 days
Community Development	<p><u>Code Enforcement</u></p> <ul style="list-style-type: none"> • Average number of calendar days from permit application to issuance (by type) • Number of cases managed per FTE • Voluntary compliance rate • Rate of forced compliance • Average number of calendar days from case initiation to voluntary or forced compliance • Number of calendar days from first complaint to investigation • Percent of first inspections completed within 24 hours of receipt of complaint • Percent of violation cases carried over to the next month <p><u>Planning</u></p> <ul style="list-style-type: none"> • Number of applications received per year (by type) • Number of recommendations provided by staff per year (by type) • Percent of applicants receiving response letter within 14 days of submittal (by type) • Number of applications reviewed per FTE involved in application reviews <p><u>Permitting and Inspections</u></p> <ul style="list-style-type: none"> • Average number of calendar days to complete one round of plan review (by type and discipline) • Percent change in the number of plans reviewed (by type and discipline) • Percent change in the number of building permits issued (by type) • Percent of first round of reviews completed within 14 days of submittal • Total number of permits issued (by category)

	<ul style="list-style-type: none">• Average time from customer submittal of application to permit issuance (includes correction time)• Percent of permits issued same day• Residential building permits issued within 2 calendar days• Average number of calendar days to complete an inspection (by type)• Percent of inspections completed within 4 calendar days (by type)• Average number of inspections performed by day per FTE
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Reading Country Club

In addition to providing traditional township services such as road maintenance and police services, Exeter Township acquired and operates the Reading Country Club (RCC). RCC amenities include an 18-hole golf course, dining and banquet center called the Castle Grille. Prior to 2005, the RCC was privately owned and operated as a country club.

In 2005, a land developer presented a proposal to the Township to purchase the RCC and convert it into a 725 unit townhome and golf course community. In response to this proposal, the Exeter Township School District expressed concern that it would be unable to accommodate additional enrollment without building new school facilities and increasing staffing levels. At the request of the School District, the Exeter Township Board of Supervisors began eminent domain proceedings to obtain ownership of the RCC and in late 2005 purchased the RCC at an initial purchase price of \$11.8 Million.

After purchasing the RCC, Exeter Township contracted with Billy Casper Golf, Inc., a golf management company, to operate the RCC on behalf of the Township. Billy Casper Golf operated the golf course for three years; however, during that time period, the golf course operated at a deficit requiring the Township support golf course operations with General Fund resources. In 2009, the Township ended its contract with Billy Casper Golf and contracted with A&M Golf Management Services for golf course operations and with the Chef Alan's Inc. for Food and Beverage management services.

Golf operations are primarily funded through green fees, annual membership fees, and sales from the pro shop. The course is open to public, and golfers who wish to play at the RCC can choose to pay green fees for individual, 18, or nine hole rounds, or they can purchase an annual club membership which includes complimentary green fees, unlimited access to the driving range, as well as other benefits. Green fees can range from \$10 per round to \$55 per round, depending on time of day, age of golfer, residency status, and golf cart use. An annual club membership can be purchased for \$1,500. A golfer's significant other can be added to the membership for an additional \$700 and children/juniors can be added for \$500. The following table summarizes the greens fee schedule for April through October 2013, which is considered the peak season.

Table 1. Reading Country Club Green Fees

WEEKDAY			
<i>Before 2:00 pm</i>	Green Fee	Cart Fee	Total Fee
Public	\$27	\$13	\$40
Senior/Resident	\$23	\$7	\$30
2:00 pm - 5:30 pm			
<i>2:00 pm - 5:30 pm</i>	Green Fee	Cart Fee	Total Fee
Public	\$23	\$7	\$30
Senior/Resident	\$18	\$7	\$25
After 5:30 pm			
<i>After 5:30 pm</i>	Green Fee	Cart Fee	Total Fee
All	\$13	\$7	\$20
WEEKEND			
<i>Before 2:00 pm</i>	Green Fee	Cart Fee	Total Fee
Public	\$42	\$13	\$55
Resident	\$32	\$13	\$45
2:00 pm - 5:30 pm			
<i>2:00 pm - 5:30 pm</i>	Green Fee	Cart Fee	Total Fee
Public	\$35	\$10	\$45
Resident	\$28	\$7	\$35
After 5:30 pm			
<i>After 5:30 pm</i>	Green Fee	Cart Fee	Total Fee
All	\$18	\$7	\$25

The Food and Beverage operation, which is managed by the Chef Alan's Company, is primarily funded through food and beverage sales at the RCC restaurant and banquet revenue from weddings and other events that are held at the RCC.

Since 2010, the combined golf, food, and beverage operations of the RCC have generated between \$240,000 and \$250,000 per year in excess operating revenue that is transferred annually to the Township to support its debt service payments from the RCC purchase in 2005; though it is important to note that this transfer represents a fraction of the Township's annual debt service payment for the course, which is projected to be approximately \$874,000 in 2013. The remainder of the debt service is funded through a 0.55 mill property tax levy, which generates nearly \$700,000 per year.

The majority of the excess operating revenues that are transferred to the Township are generated through the Food and Beverage operation. In 2013, the Township is anticipating a \$250,000 transfer from Food and Beverage operation. The RCC golf operation essentially breaks even, though in some years it has generated a minimal amount of excess operating revenues, between \$10,000 and \$20,000. In 2013, the Township anticipates a transfer of approximately \$20,000 from the golf side of the RCC operation. This is partly due to a warmer than average spring, which increased spring play. It is important to note, however, that the capital repairs and equipment replacement is, according to the existing contracts, the responsibility of the Township. As a result, those costs are not reflected in the figures summarized above.

The following figure summarizes the annual transfer from RCC to the Township's debt service fund from 2010 through 2012.

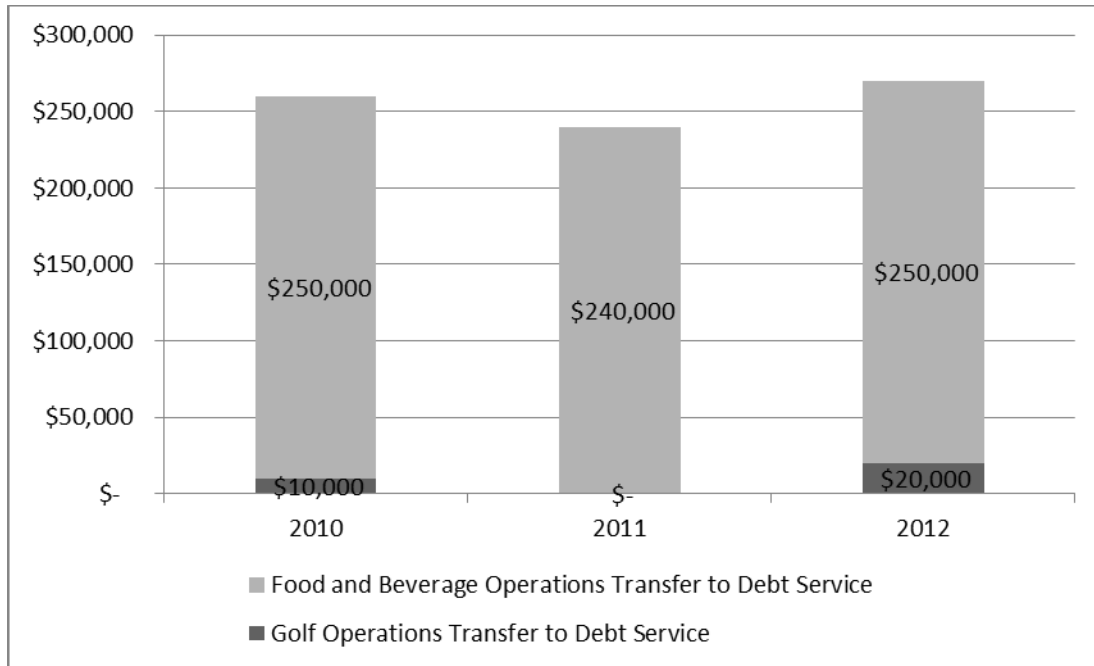


Figure 1. Annual RCC Transfer to Debt Service

Benchmarking

Though it is not unusual for local government to own or operate a golf course, it is also common for golf courses to be owned and operated privately. Public sector golf courses, as enterprise operations, are expected to be self-sustaining and compete with other golf options in the region. The Novak Consulting Group identified several regional competitors and conducted research in order to provide information on how RCC compares to similar operations.

To assist with the benchmarking process, Township and RCC management supplied a list of four public and three private golf courses in the greater Reading area that serve as the RCC's chief competitors. The benchmark golf courses are as follows:

- Berkleigh Golf Club (public)
- Raven's Claw Golf Club (public)
- Golden Oaks Golf Club (public)
- Galen Hall Golf Course (public)
- Moselem Springs Golf Club (private)
- Heidelberg Country Club (private)
- Berkshire Country Club (private)

These seven golf courses are located across the general Reading area and are all within twenty miles of the RCC. The following figure illustrates the relative distance of the benchmark courses from RCC, with each concentric circle representing a constant radius around the Club in five mile increments. Thus, the smallest circle represents a five mile radius; the next closest circle in size represents a ten mile radius, and so on.

The course closest to RCC is the private facility Berkshire Country Club, on the northwestern edge of Reading, and just outside of the five mile radius. Heidelberg Country Club and Raven's Claw Golf Club are both beyond the fifteen mile radius, making them the furthest away from Reading Country Club among the benchmark courses.



Figure 2. Map of Benchmark Golf Clubs With Five Mile Increment Radius

Despite the benchmark courses' close proximity to Reading and the Reading Country Club, they have a number of differences worth noting. Reading Country Club's golf course, at just under 6,200 total yards, is the shortest course among the benchmark courses, though similar in length to Galen.

Berkshire is the oldest course, founded in 1900, while Galen Hall, Berkleigh, and Reading Country Club were all founded before the mid-1920s. The remaining benchmark courses are all more recent, having been built in the 1960s or later. The newest course, Raven's Claw, opened in 2005. Additionally, one benchmark course, Berkleigh, shares a similar historical background with Reading Country Club, as it too was once a private club, before turning public in 2008.

Table 2. Benchmark Golf Club Characteristics

Golf Course	Public / Private	City / Town	Founded	Holes	Par	Yards
Berkleigh Golf Club	Public	Kutztown	1926	18	72	6,800
Raven's Claw Golf Club	Public	Pottstown	2005	18	71	6,700
Golden Oaks Golf Club	Public	Fleetwood	1994	18	72	7,100
Galen Hall Golf Club	Public	Wernersville	1912	18	72	6,300
Reading Country Club	Public	Reading	1923	18	71	6,200
Moselem Springs Golf Club	Private	Fleetwood	1968	18	70	6,800
Heidelberg Country Club	Private	Bernville	1967	18	70	6,500
Berkshire Country Club	Private	Reading	1900	18	71	6,400

According to the United States Golf Association's (USGA) Course Rating, the most challenging course to play is Moselem Springs, a private course that has a USGA rating of 74.0 and a slope rating of 137.² This is not tremendously more difficult than some of the other benchmarks, however, Berkleigh posts a 72.1 course rating with an identical slope rating of 137. RCC, though shorter than the benchmark courses, still posts a challenging 70.2 course rating and a slope rating of 131, higher than Golden Oaks, Galen Hall, and Berkshire. This data indicates that, in comparison to most of the benchmark courses, RCC offers challenging and comparable course play. The following table summarizes the USGA Course Ratings for each of the benchmark golf courses.

Table 3. Benchmark Golf Club Course Ratings

Golf Course	USGA Course Rating	Slope	Bogey
Berkleigh Golf Club	72.1	137	97.4
Raven's Claw Golf Club	70.8	132	95.3
Golden Oaks Golf Club	73.6	127	97.2
Galen Hall Golf Club	68.9	127	92.5
Reading Country Club	70.2	131	94.5
Moselem Springs Golf Club	74.0	137	99.5
Heidelberg Country Club	71.7	131	96.1
Berkshire Country Club	71.0	127	94.6

Although each of the benchmark clubs' golf operations are similar, there was variation among the total amenities offered on the overall property. While all of the benchmark clubs operated their own pro shops and had banquet facilities, Berkleigh did not operate their own restaurant, while all other clubs did. Additionally, two of the private clubs, Heidelberg and Berkshire, also offered more than just golf at their facility as they both maintained pools and tennis courts for their members. Two other clubs, Golden Oaks and Moselem Springs, also provided overnight facilities.

² From USGA.org: "A USGA Course Rating is the evaluation of the playing difficulty of a course for scratch golfers under normal course and weather conditions. It is expressed as the number of strokes taken to one decimal place (72.5), and is based on yardage and other obstacles to the extent that they affect the scoring difficulty of the scratch golfer. A Slope Rating is the USGA® mark that indicates the measurement of the relative playing difficulty of a course for players who are not scratch golfers, compared to scratch golfers."

RCC does not offer pools, tennis courts, or overnight facilities, but offered all of the other amenities common among the public courses; including banquet facilities, a restaurant, and pro shop. The following table provides a comparative summary of the amenities and facilities offered at each of the benchmark courses.

Table 4. Benchmark Golf Club Amenities

Golf Course	Public / Private	Pools	Tennis Courts	Banquet Facilities	Restaurant	Pro Shop	Overnight Facilities
Berkleigh Golf Club	Public	No	No	Yes	No	Yes	No
Raven's Claw Golf Club	Public	No	No	Yes	Yes	Yes	No
Golden Oaks Golf Club	Public	No	No	Yes	Yes	Yes	Yes
Galen Hall Golf Club	Public	No	No	Yes	Yes	Yes	No
Reading Country Club	Public	No	No	Yes	Yes	Yes	No
Moselem Springs Golf Club	Private	No	No	Yes	Yes	Yes	Yes
Heidelberg Country Club	Private	Yes	Yes	Yes	Yes	Yes	No
Berkshire Country Club	Private	Yes	Yes	Yes	Yes	Yes	No

Initiatives

INIT01.	Revise the membership structure to include a five-day membership and a premium seven-day membership.	
	Target outcome:	Increase golf membership and membership revenue
	Five year financial impact:	Not Available
	Responsible party:	Director of Golf

Currently, Reading County Club offers only one individual membership: a seven day per week individual membership for \$1,500 a year. In the past, RCC offered different levels of membership, as is still the case with the benchmark courses. Additionally, RCC used to offer a number of membership savings benefits such as five percent off for Exeter residents, five percent off for seniors, five percent off for returning members. This resulted in a membership roster with individuals paying different amounts annually, depending on how the various membership levels and discounts were applied.

In 2012, RCC revised the membership rate structure from \$2,000 per year with multiple options for discounts, to \$1,500 per year flat rate with more limited opportunities for discounts. As summarized in the following table, this change in membership pricing strategies resulted in a total membership increase in 2012.

Table 5. Reading Country Club Membership Rates, 2009-2013

	2009	2010	2011	2012	2013	Percent Change, 2009-2013
Seven Day	48	43	47	86	74	54%
Week Day	6	3	7	N/A	N/A	N/A
Tournament	0	8	8	N/A	N/A	N/A
Other (Spouse, Junior, etc.)	18	22	22	24	20	11%
Total	72	76	84	110	94	31%

This increase in total memberships also resulted in higher overall membership revenue, despite the drop in membership price. The value of the average discount applied to membership rates has also declined in absolute value over this same time period. In 2009, the average discount of \$281 equated to a 15 percent decrease off the total cost of membership for the average individual. In 2012 the average discount of \$132 represented only a nine percent discount off the \$1,500 membership rate. In 2013, the trend has continued, as the average discount of \$94 represents a six percent savings for members.

Table 6. Reading Country Club Full Membership Discounts and Revenues, 2009-2013

	2009	2010	2011	2012	2013	Percent Change, 2009-2013
Cost of Membership	\$ 2,000	\$ 2,000	\$ 2,000	\$ 1,500	\$ 1,500	-25%
Average Discount	\$ 281	\$ 200	\$ 225	\$ 132	\$ 94	-67%
Average Paid	\$ 1,719	\$ 1,800	\$ 1,775	\$ 1,368	\$ 1,406	-18%
Memberships	48	43	47	86	74	54%
Membership Revenue	\$ 82,512	\$ 77,400	\$ 83,425	\$ 117,648	\$ 104,044	26%

The total value of revenue generated from full freight, seven day memberships has increased 26 percent since 2009. This increase in memberships has also resulted in a direct increase in the number of rounds played at the RCC. In 2012, the year that the \$2,000 membership was lowered to \$1,500 and individual memberships jumped from 47 to 86, total rounds of golf played at RCC also increased from 22,399 in 2011 to 24,529 in 2012, a 10 percent increase. The number of rounds played by members increased as well. In 2011, members played 3,952 rounds, accounting for 17.6 percent of all rounds played. In 2012 members played 4,914 rounds, or 20 percent of all rounds played. The following table summarizes the number of rounds played at the RCC from 2009 through 2012.

Table 7. Reading Country Club Member Rounds and Total Rounds, 2009-2013

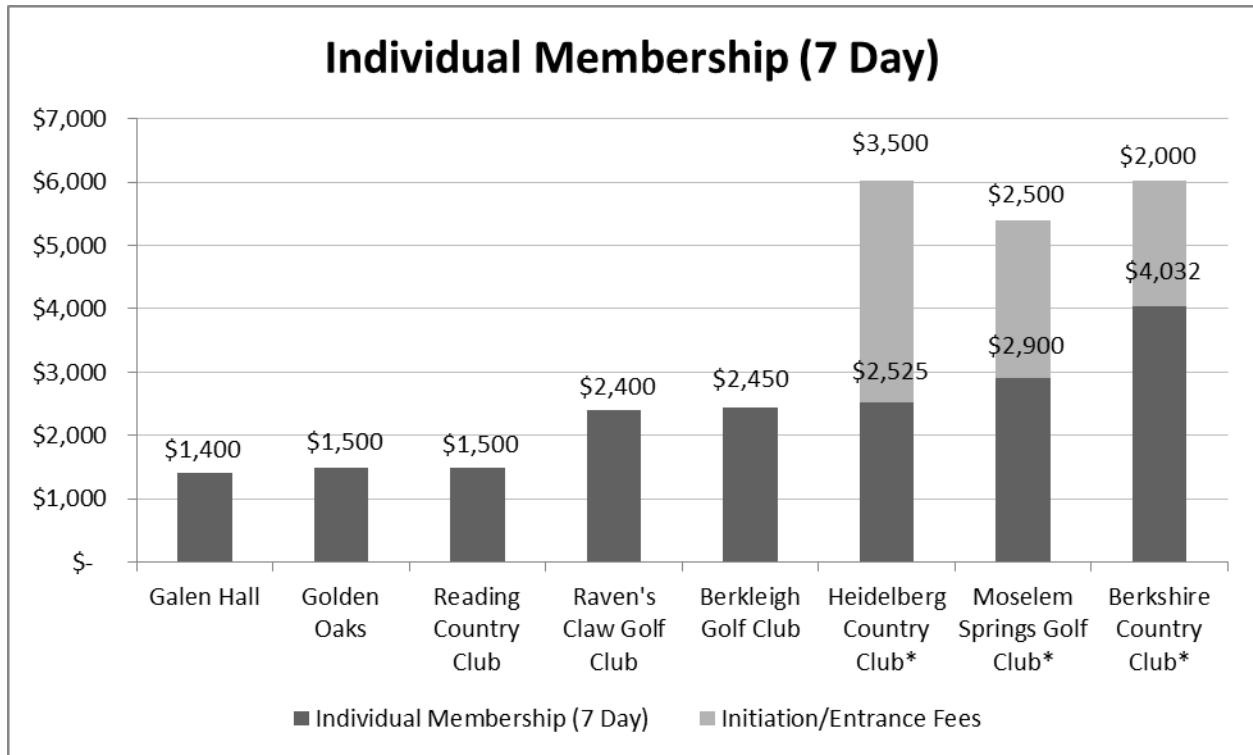
	2009	2010	2011	2012	Percent Change, 2009-2012
Member Rounds	3,376	3,429	3,952	4,914	46%
Total Rounds	23,172	23,063	22,399	24,529	6%
Member Rounds as Percent of Total Rounds	14.6%	14.9%	17.6%	20.0%	N/A

This data indicates that the membership pricing strategy that was initiated in 2012 was effective at increasing the number of memberships, membership revenue, and the number of membership rounds played. However, it is also important to assess how the membership rate structure compares against RCC's benchmark courses.

Though each benchmark golf course tailors the benefits of its membership package to its own business plan, memberships typically provide complementary green fees, access to all club facilities, driving range use, and discounts at the pro shop. Each benchmark course also offers a number of different membership levels, whereby a group or individual can choose to pay less than the maximum price for less access to playing times or specific amenities. Examples of this include "weekday" golf memberships, which only allow play Monday through Friday, and "social" memberships that do not allow golf play (aside from a handful of rounds a year), but do give access to the rest of the club's facilities such as pools, tennis courts, and other amenities. Additionally, some clubs offer family memberships that provide access for children under 18 and allow a spouse to be added at a lower rate. This is also true of corporate memberships which allow four or more individuals to join as part of a company's membership. The private clubs also charge one-time initiation or entrance fees to new members that can be as much or more than the value of one year's dues. However, these fees can often be negotiated in the sign up process and some of the private courses will run membership "specials" where initiation fees will be waived, in an effort to acquire more members.

Although this variation among membership plan options makes direct comparisons difficult, the basic membership option that is common across Reading County Club and the benchmark courses is a full, seven-day membership for a single golfer for one year. This is actually the only membership level offered at RCC. This membership grants full access to all of the club's facilities, complementary green fees (cart fees are extra), and use of the driving range. There are a variety of incentives (e.g., lump sum payment, membership specials, loyalty benefits) and add-ons (e.g. private lockers) that may affect the actual final price paid by an individual member. However, the base rates for full individual memberships are illustrated in the following figure.

Figure 3. Single Golfer Membership Annual Costs – General / Intermediate



*Private golf club

When comparing the costs of membership, there is clear price delineation between the private and public clubs—although Berkleigh and Raven’s Claw price themselves close to the lower end of the private club range. Reading Country Club is priced in the middle of the five public clubs, although in terms of price it is clustered with Galen Hall and Golden Oaks as among the most affordable golf memberships in the Reading area. Of the private clubs, Heidelberg is the least expensive membership at \$2,525. Note, however, that private clubs also charge one time initiation/entrance fees which are close to if not more than the cost of the first year’s membership fees.

The public clubs, with the exception of RCC, all offer a five day, “weekday” membership that allows individuals to play Monday through Friday. Therefore, while RCC was among the most affordable courses in the benchmark group when considering the full freight, seven day membership, its one-size fits all membership offering means that it is not among the least expensive golf memberships in the area, and it is priced significantly higher than Golden Oaks and Galen Hall, its most direct public course competitors.

The following figure compared five day annual membership costs for the public benchmark courses against the seven day membership cost offered by the RCC.

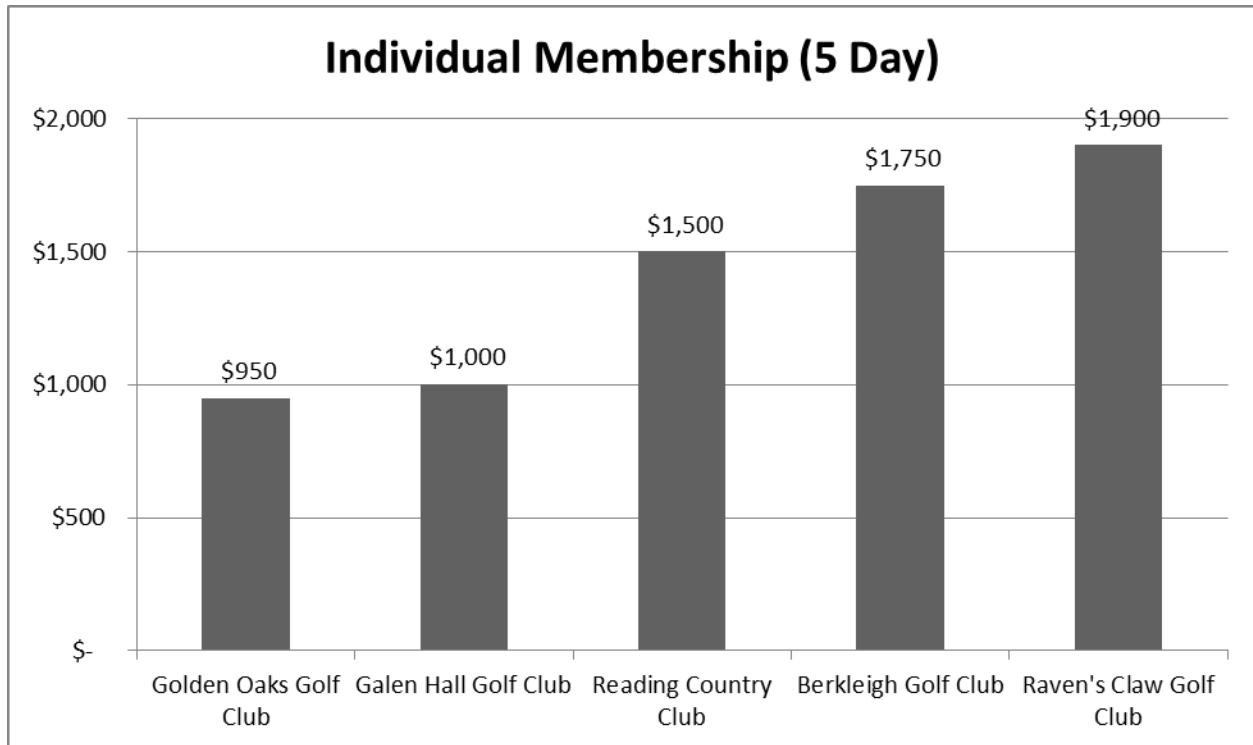


Figure 4. Single Golfer Weekday / Five Day Membership Annual Costs – Public Courses³

It is clear that the RCC's effort to both simplify and lower annual membership rates has resulted in increased membership and membership revenue. It is also clear that, when compared to benchmark golf courses, the RCC membership structure is generally competitively priced. The one fundamental difference between the RCC membership structure and the membership structures of other public courses is that the RCC does not offer a five day, weekday membership package. The purposes of offering a five day membership structure is to maximize the use of the course during weekdays, which tend to be the more underutilized periods on a course, while maximizing the number of tee times available for public play on the weekends.

In 2013, golf operations are projected to generate approximately \$732,811 in total annual revenue, 74% of which is projected to come from public green fees and cart rentals. By contrast, membership revenue is projected to generate \$125,000 in 2013, which is 17% of total golf operations revenue. Given the importance of public green fee revenues for the profitability of golf operations, it is important to maximize the revenue generated through public rounds. The membership plan structure should therefore be designed to support non-member play while increasing course utilization during non-peak periods.

One approach that the RCC can pursue to meet this objective would be to create a two-tiered membership structure. The first membership option would be a five-day membership option. The second membership option would be a seven-day membership option. Since the primary goal of the membership program is to maximize the opportunity for public play during weekends, the seven-day membership plan should be priced as a premium membership. As such, it is prudent to include additional premium incentives, such as cart rental discounts in the premium package. This adjustment in membership strategy would also bring the RCC in line with its competitors, each of which offer both five day and seven day membership options. Based on benchmark comparisons, to remain competitive with other regional golf courses, the five-day membership should range between \$1,000 and \$1,500 per year, but it should

³ Reading Country Club does not offer a five day membership. The RCC cost of \$1,500 is for a seven day membership.

reflect comparative differences in the quality of course play and available amenities. The premium seven-day membership package should range between \$1,500 and \$1,750, again, with the goal being to remain competitive with other regional courses of comparable quality.

RCC02.	Develop a marketing plan to increase the frequency of public rounds played	
	Target outcome:	Additional revenue
	Five year financial impact:	Not Available
	Responsible party:	Director of Golf, Township Manager

The number of individual rounds of golf played at Reading Country Club has increased six percent from 2009 to 2012; however, the number of rounds played by the general public has remained static. The increase in rounds played is primarily attributable to increases in member rounds, as previously discussed. The following table summarizes rounds played at RCC, by type of round, from 2009 through October of 2013.

Table 8. Reading Country Club Historic Rounds, 2009-2013

	2009	2010	2011	2012	2013 ⁴	Percent Change, 2009-2012
Public Rounds	19,796	19,634	18,447	19,615	16,097	-1%
Member Rounds	3,376	3,429	3,952	4,914	3,615	46%
Total Rounds	23,172	23,063	22,399	24,529	19,712	6%

Individual, a la carte rounds by members of the public represent the majority of Reading Country Club's annual business. As of October 2013, public rounds have made up 82 percent of all rounds played on the course. Public green fee revenue also represents the greatest share of total golf operations revenue.

In the RCC, and in benchmark courses, the cost per public round played varies by time of day, day of the week, age of golfer, and in some cases, residency of golfer. In addition, some courses allow golfers to either walk the course or rent a golf cart. The RCC and the benchmark courses also run a variety of sales, temporary price cuts, and other incentives throughout the year in an attempt to drive business. These variations in pricing make direct, "apples to apples" comparisons of green fees challenging.

However, in the interest of determining how the RCC's pricing structure compares to its competitors, we have collected base greens fee and cart rental cost data, by time of day and day of the week, for those benchmark courses that allow the public to purchase individual rounds of play. Benchmark courses may use different day and time pricing breakdowns, but the benchmark comparisons included below represent the best approximate comparison among courses.

At Reading Country Club, weekday morning rates are in place from opening to 2:00 pm. These rates include tax and a golf cart rental and come in three tiers: \$40 for the general public, \$30 for Exeter residents, and \$30 for seniors and members of the military. The \$40 public rate charged at the RCC

⁴ 2013 figures are January 1, 2013, through October 10, 2013.

represents the median of the rates charged by the other public courses. In addition, the Reading Country Club's public green fee rate is below the mean of the rates charged by other public courses, which is \$41. This suggests that RCC's weekday, morning public rates are competitively priced.

On weekday afternoons, after 2:00 pm, the Reading Country Club lowers its public rate by 25 percent to \$30, and lowers the resident and senior / military rate 17 percent to \$25. These rates still include all taxes and a golf cart rental. The lowering of rates from morning to afternoon was common among the public benchmark courses as well, and as a group they lowered their rates 21 percent, slightly less than RCC. The two smallest drops were on either side of the expense spectrum of the public courses as Galen Hall's rate only dropped 13 percent and Raven's Claw's 16 percent. In the case of Galen Hall, however, it would be difficult to drop their rate much more, as they are already the bargain-priced course. Reading Country Club is again priced as the median of the public courses, although it is closer to the inexpensively priced courses, coming in \$3 under the mean of \$33 per round.

After 5:30 pm, Reading Country Club again changes rates to its "twilight" pricing, in which the pricing tiers are collapsed and all rounds cost \$20, a 33 percent price drop from the afternoon public rate of \$30 and a 50 percent reduction from the morning rate of \$40. This pricing point makes Reading Country Club the most price-competitive among the benchmark courses for evening, public play. The following figure summarizes weekday rates for RCC and each of the benchmark courses.

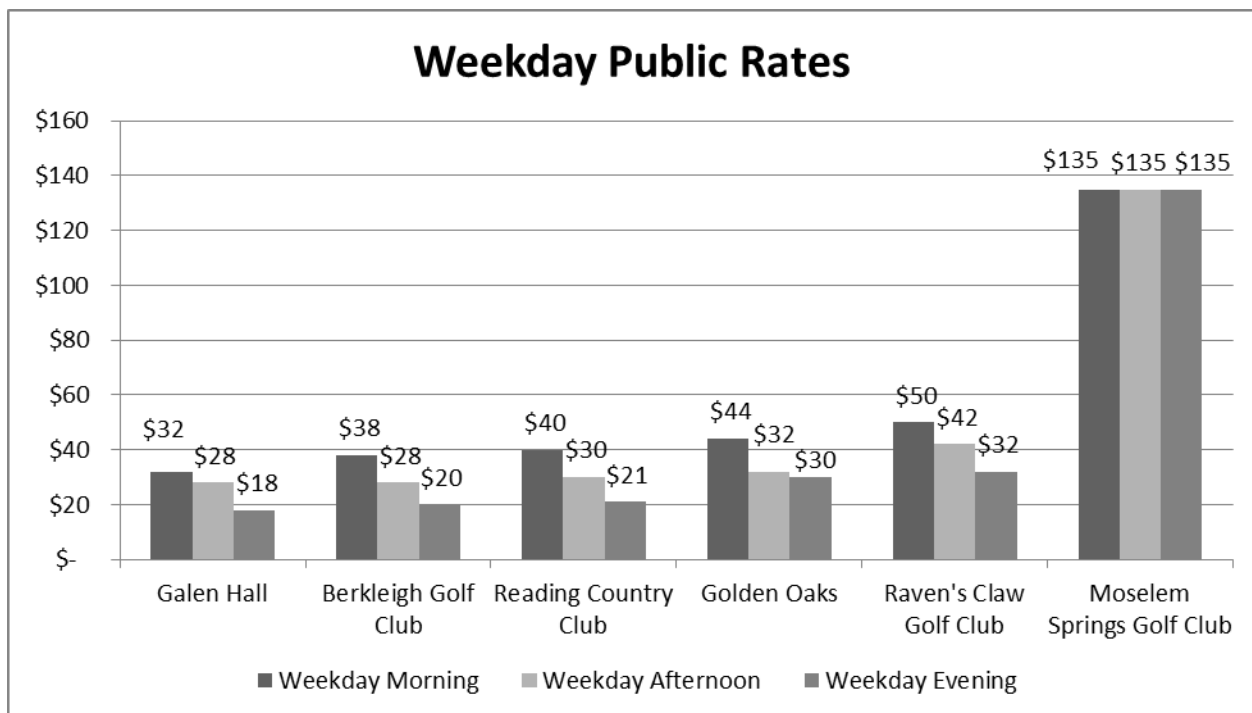


Figure 5. Weekday Public Green Fees with Carts

The Reading Country Club's morning weekend rates are \$45 for residents and \$55 for the general public. This \$55 public rate represents the median among the public courses, with Galen Hall and Berkleigh again offering less expensive weekend morning green fees, and Golden Oaks and Raven's Claw again offering more expensive prices. The average of the four public courses is \$56, again just above RCC's posted public rate of \$55. The RCC's weekend afternoon rates are \$45 for the general public and \$35 for Exeter residents, which represents a 22 percent decrease when compared to weekend morning rates. In the evenings, after 5:30 pm, all players at Reading Country Club pay \$25, which is a 44 percent drop from the weekend afternoon rate. Similar to weekdays, this pricing strategy keeps the RCC public green

fees at or near the average fees charged at comparable regional courses. The following figure summarizes weekend rates at the RCC and those at benchmark courses that allow public play.

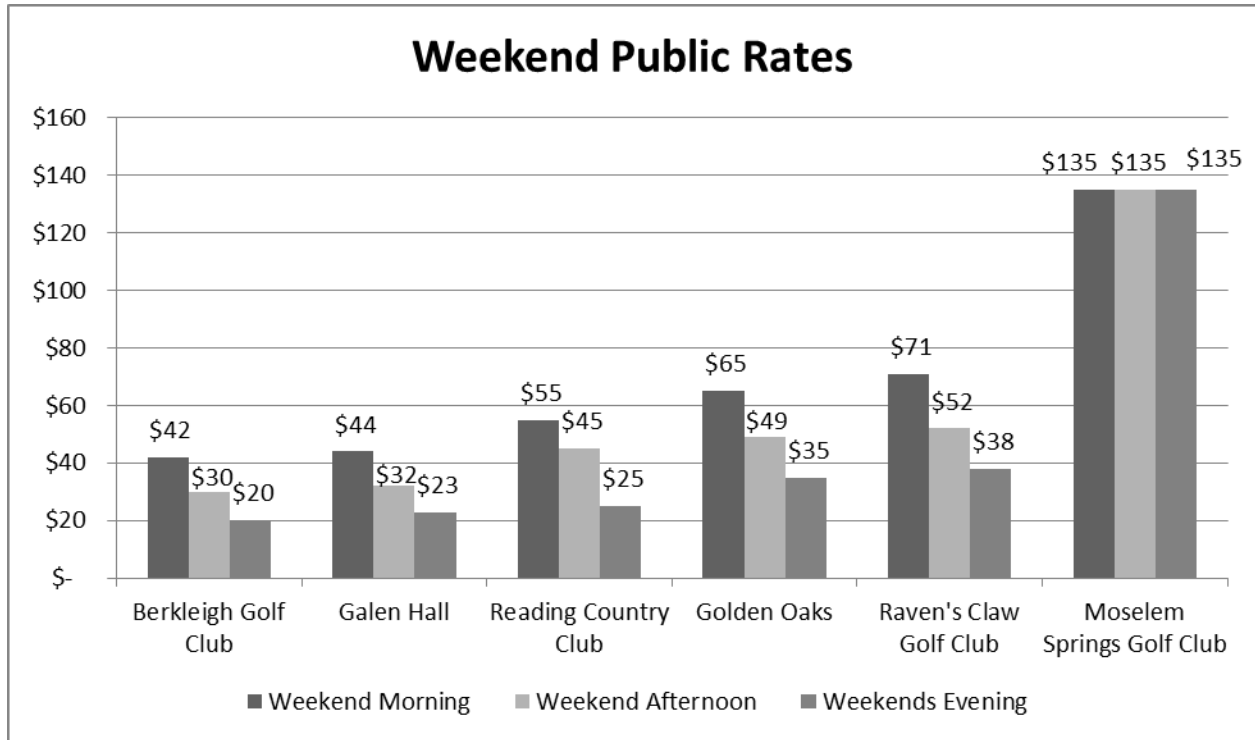


Figure 6. Weekend Public Green Fees with Carts

Comparing the Reading Country Club’s public green fees with regional benchmark golf courses indicates that RCC’s public green fees, in nearly every day and time category, are at or near the median rate of benchmark courses. This indicates that there is not a clear need to increase or decrease the base green fees at RCC. However, it is important that the RCC seek to increase golf revenue so that additional resources can be applied toward the golf course debt service. Given that the majority of golf operations revenue is derived from non-membership green fees, focused marketing designed to increase the frequency of non-member rounds played is critical.

As previously discussed, the amount an individual pays to play a round of golf varies based on a number of factors, including time of day, day of week, rental of a golf cart, and a number of other variables. This means that, from a revenue standpoint, all rounds played at RCC are not created equal. The following shows the number of rounds played, by type of round, as well as associated revenue generated, from January through October of 2013. These eight round types summarized below account for 55 percent of all rounds and provide RCC with an average of \$27.94 per round. However, the two most lucrative types of rounds—weekend rounds with a rented golf cart and outings and tournaments—provide substantially more revenue per round than the average.

Table 9. Reading Country Club Highest Revenue Value Public Rounds, 2013⁵

	Number of Rounds	Percentage of All Rounds	Average Revenue per Round	Net Revenue
Public 18 Weekend w/Cart	1,916	9.72%	\$42.49	\$ 81,406.00
Outings/Tournaments	1,777	9.01%	\$34.91	\$ 62,036.26
Public 18 Weekday w/Cart	1,033	5.24%	\$25.49	\$ 26,333.75
Two man scramble	1,138	5.77%	\$25.00	\$ 28,450.00
Tee Time Golf Pass	1,542	7.82%	\$23.37	\$ 36,033.74
Senior 18 w/cart	1,524	7.73%	\$22.80	\$ 34,741.28
After 2:00pm Public w/cart	1,082	5.49%	\$20.84	\$ 22,547.63
GolfNow	835	4.24%	\$13.75	\$ 11,477.25
Totals	10,847	55%	\$27.94	\$303,025.91

Because of the high individual value of each of the eight round types summarized above, RCC management should develop a marketing plan that focuses on increasing the frequency of these types of rounds, with specific emphasis on increasing weekend rounds with a cart rental and tournament rounds. This marketing plan should define specific stages for increasing the number of public rounds played and a post implementation evaluation process that includes review with the Township Manager.

RCC03.	Create 24 hour notice reservation cancellation fee	
	Target outcome:	Additional revenue; improved tee time schedule integrity
	Five year financial impact:	Not Available
	Responsible party:	Director of Golf, Township Manager

Currently, Reading Country Club does not charge a fee for cancelled tee time reservations. Typically, cancellation fees are applied as a means of discouraging casual reservations that patrons are not intent on keeping. Casual reservations can cause a course's schedule to appear artificially full, and will result in both less revenue for the course and fewer options for golfers who might be available to play at reserved times. Cancellations can come in the form of formal notice that a reserved golfer will be unable to make their tee time, or in the form of a "no show" where the reserved golfer doesnot come to the course at all.

From 2009 to 2013, Reading Country Club experienced a cancellation rate of approximately one third of all reservations. This rate has been increasing. The highest level of cancellations came in 2012. As summarized in the table below, a total of 38.1 percent of all reservations were cancelled in 2012. As of October 10, 2013, 37.2 percent of all reservations have been cancelled in 2013.

⁵ 2013 figures are January 1, 2013, through October 10, 2013.

Table 10. Reading Country Club Total Reservations and Rounds, 2009-2013

	2009	2010	2011	2012	2013	Percent Change, 2009-2012
Total Rounds	23,172	23,063	22,399	24,529	19,712	6%
Total Reservations	35,874	33,866	34,731	39,657	31,411	11%
Percent of Reservations Cancelled	35.4%	31.9%	35.5%	38.1%	37.2%	N/A

The RCC does not currently have data showing which of these reservations were cancelled ahead of time and which were as a result of “no shows.” Regardless of how the reserved golfer makes their intention to cancel known, the most damaging to effective scheduling of the course are those that are cancelled within 24 hours of their tee time. Additionally, these lost reservations represent a substantial loss of revenue themselves. According to total rounds and reservations data collected by RCC, cancelled reservations have accounted for a gross of approximately \$261,835 in lost revenue each year from 2009 through October, 2013, though it is important to note that this figure does not include the offsetting revenue value associated with rebooking a cancelled tee time. That data was not available for analysis.

Table 11. Reading Country Club Revenue Lost To Reservation Cancellations, 2009-2013

	2009	2010	2011	2012	2013 ⁶	Percent Change, 2009-2012
Total Reservation Revenue	\$ 723,906	\$ 777,748	\$ 812,497	\$ 891,166	\$ 678,049	23%
Total Rounds Revenue	\$ 462,071	\$ 470,984	\$ 449,725	\$ 489,616	\$ 411,434	6%
Lost Revenue	\$ 261,835	\$ 306,764	\$ 362,772	\$ 401,550	\$ 266,615	53%

This potentially represents a significant source of lost revenue and a disruption to effective course scheduling. While it is true that some number of cancellations are an unavoidable part of scheduling, cancellations at the scale currently experienced at RCC are extraordinary. Reading Country Club staff have described the perceived unpopularity of cancellation fees in past, however, given that golf operations operate at a break-even level, and considering the critical need to generate additional revenue to fund current and future debt service payments, all potential revenue sources must be considered.

Due to anticipated patron sensitivity to the implementation of a new fee, Reading County Club may chose to initially apply the cancellation fee to those who most damage the integrity of the tee time schedule: the “no shows.” However, RCC should move to increase those to whom the cancellation fee applies to include anyone who cancels a reservation with less than 24 hour notice. This will require an extensive communication process and it will be important, especially in the beginning of the program, to ensure that each individual who makes a reservation is aware of the cancellation policy.

⁶ 2013 figures are January 1, 2013, through October 10, 2013.

The amount of revenue raised by the cancellation fee will depend on the amount of the fee and the number of times the fee is applied. As there is not currently data on how many cancellations occur within 24 hours of their tee time, it is only possible to estimate. The following table, however, illustrates the total revenue that could generated by cancellation fees of \$10, \$15, or \$20, applied to 10, 15, 20, or 25 percent of all cancellations (as an average of the cancellations per year from 2009 through 2012), any one of which may represent the total number of cancellations within 24 hours of the tee time.

Table 12. Potential Revenue From 24 Hour Notice Cancellation Fee

	\$10 Fee	\$15 Fee	\$20 Fee
10% of Cancellations (2009-2012 Average)	\$ 12,741	\$ 19,112	\$ 25,483
15% of Cancellations (2009-2012 Average)	\$ 19,112	\$ 28,668	\$ 38,224
20% of Cancellations (2009-2012 Average)	\$ 25,483	\$ 38,224	\$ 50,965
25% of Cancellations (2009-2012 Average)	\$ 31,853	\$ 47,780	\$ 63,706

If 10 percent of the average number of cancellations from 2009 to 2012 were within 24 hours, and a cancellation fee of \$10 was enforced on those golfers, the fee would generate \$12,741 a year. A cancellation fee of \$15 or \$20 would respectively generate more revenue. However, if the total number of cancellations within 24 hours were greater than 10 percent, a \$10 fee could generate much more revenue. It is not possible to know for certain where on this table the true value would fall.

It is important to note that while the fee would initially generate revenue, the cancellation fee's primary function will be to serve as a deterrent. This will ultimately result in a gradual decrease of cancellation fee revenue, but the golf course scheduling and reservation process will be significantly improved.

INIT04.	Develop a rolling five-year replacement schedule for golf course maintenance equipment	
	Target outcome:	Increased budgeting accuracy
	Five year financial impact:	Not Available
	Responsible party:	Director of Golf, Golf Superintendent

Since 2010 the Golf Operations side of the Reading Country Club has operated at, or slightly above, a break-even level. However, there are also operating costs that are not fully captured because the Township has maintained the responsibility of funding equipment replacement and major facility repairs.

The Golf Superintendent is responsible for overseeing equipment maintenance and seeks to prolong the useful life of each piece of equipment through regular maintenance. As a result, A&M Golf Management Services has limited the need for equipment replacement. This practice is useful to keep costs down and is a practice that is important to maintain; however, there are also risks associated with this approach that must be managed.

Each year that replacement is deferred, the cost of replacing that equipment is also deferred. While this addresses short-term budgetary considerations, it also increases the likelihood of a much larger capital investment need in the future. For example, hypothetically, the RCC may delay the replacement of a fairway mower for two years until it is absolutely critical that the piece of equipment be replaced. The Township then must fund the fairway mower replacement, in addition to other equipment that needs to be replaced that year. Therefore, the Township must make a decision to either fund a large capital investment in one year, or defer the replacement of other equipment to accommodate the fairway mower purchase.

Though specific maintenance cost data was not available from the RCC, it is generally true that deferring equipment replacement past its useful life typically results in an increase in maintenance costs, an increase in equipment downtime, and corresponding decrease in employee productivity. For example, if employees are working on equipment or waiting for equipment to be repaired, they are not addressing golf course maintenance issues.

The final contributing factor to this issue is that the RCC does not maintain a multi-year equipment replacement schedule. Rather, equipment needs are evaluated on an annual basis and replacements presented to the Township Board of Supervisors for funding during the annual budget process. This limits the Township's ability to project potential expenditures beyond the current budget year and to develop longer-term plans to fund liabilities.

While it is true that some flexibility is required when determining which equipment should be replaced and when, it is a best practice to develop a replacement schedule that allows for a leveling of equipment replacement expenses over several years and includes a systematic approach to evaluating when a piece of equipment needs to be replaced. At the RCC, this can be accomplished through two primary steps: 1) evaluate the current condition of the existing equipment inventory, and; 2) develop a five year rolling replacement schedule based on annual condition assessments.

There are many systems in place that have been applied to evaluate the condition of equipment and identify the critical point when the cost of owning a piece of equipment outpaces the cost of replacement. In fact, there are many off-the-shelf software applications that can perform this function. Those systems, however, are costly, and it is critical that Golf Operations profit be maximized. Fortunately, there are other options available to systematize the equipment condition evaluation process through simple Excel tools.

The City of Appleton, Wisconsin, for example, evaluates the condition of its vehicles and equipment on an annual basis and assigns points for evaluation factor, such as age, type of use, maintenance cost, and vehicle availability. The specific rating factors used by the City of Appleton for equipment are included as Attachment B. The sum of those points will help the RCC determine which equipment should be scheduled for replacement and which should remain in service. The following table summarizes the City of Appleton's fleet replacement evaluation rating key.

Table 13. City of Appleton, Wisconsin Equipment Replacement Key

Point	Condition	Action
0-17	Excellent	Do not replace
18-22	Good	Reevaluate in one year
23-27	Satisfactory	Qualifies for replacement if budget can afford
28 +	Poor	Needs priority replacement

The replacement keys and rating factors included above and in the attached matrix offer a starting point that can be used to develop a rating system customized to the conditions at the RCC. This matrix should be used to evaluate equipment condition and then develop a five year replacement schedule that can be shared with the Township as a baseline budget planning document.

RCC05.	Initiate RFP processes for the Food and Beverage Contract	
	Target outcome:	Maximize revenue
	Five year financial impact:	Not Available
	Responsible party:	Township Manager

The Township maintains a contract for Golf Operations and a contract for Food and Beverage services. The Food and Beverage management contract with Chef Alan's Inc. and the Golf Operations contract with A&M Golf Management Services expire in March of 2014, though the Township has the option of renewing the contracts with existing vendors.

The principle value of an RFP process is that it provides a mechanism to generate competition and help the Township ensure that it is getting the best value available on the market. It also allows the Township to address issues that it may have with the existing contract or contractors. For example, one of the issues that the Township has experienced with the existing contractors is that there has been difficulty obtaining financial reports at the level of detail and frequency required by the Township. This issue can be addressed through the RFP process.

However, it is also important to note that the decision to initiate an RFP process must be weighed against the potential alternatives. When Billy Casper Golf managed the RCC, they managed both Golf Operations and Food and Beverage operation. This is in fact the business model that most golf management companies employ. However, Golf and Food and Beverage operations are specialized and require fundamentally different skill sets. The Township, recognizing this reality, split the Golf and Food and Beverage operations into separate contracts in 2009 and from that point on, both operations have operated at a break-even level or generated excess revenue. On the golf side, it will be difficult for the Township to identify a golf management company that would be willing to bid on Golf Operations alone. The Township may then be required to contract with one provider for both Golf Operations and Food and Beverage management, thereby losing the advantages gained through contract separation and specialization. It is also important to take into account that Golf Operations is currently an efficiently run operation; A&M Golf Management Services consistently keeps expenses within golf revenues and in some years has generated excess revenue. This is difficult to achieve in today's golf industry. Given this reality, and taking into account the conditions pertaining to the competitive environment discussed above, it is prudent for the Township to begin discussions to extend the contract with A&M Golf Management Services.

Since 2009, the Food and Beverage operation has also generated excess revenue. In fact, it generates nearly all of the RCC's debt service contribution. However, it also true that there are a number of restaurant management companies in the area that would have an interest in bidding on the service, perhaps resulting in a better deal for the Township. Given these considerations, it is prudent to begin an RFP process for the Food and Beverage management operation.

RCC06.	Evaluate opportunities to sell the Reading Country Club	
	Target outcome:	Eliminate debt
	Five year financial impact:	\$4,377,357
	Responsible party:	Township Manager

The recommendations presented above offer a number of opportunities to maximize the profit generated by the RCC. However, it is important to consider these recommendations within the context of the broader debt service requirements resulting from the purchase of the golf course in 2005.

In 2005, the Township issued a 40 year bond to fund the purchase of the golf course, which means that the Township will be making debt service payments through the year 2046. In 2013, the debt service payment for the golf course is budgeted at \$874,000. The Township funds debt service payments through a debt service property tax of 0.55 mills, which is anticipated to generate approximately \$699,000 in 2013. This revenue, in combination with the annual profit transfer from golf operations of approximately \$250,000, covers the Township's current debt service obligations.

In 2025, Exeter Township's debt service payments for the Reading Country Club are scheduled to increase to \$1.2 Million, which is an approximately \$327,000 increase over the Township's 2013 obligation. However, during the same period, the Township's General Fund General Obligation Debt will be paid off, mitigating the General Fund impact of the increase in RCC debt service payments. However, if the Township relies on General Fund General Obligation debt savings to fund the RCC debt service, it will not have the capacity to issue additional debt service to cover other infrastructure needs (e.g., transportation infrastructure, township facilities, etc.) without raising the dedicated debt service millage. Moreover, it is important that the RCC, as an enterprise fund operation, be fully self-sufficient, which means that the revenues generated through the RCC must fully cover RCC expenses, including debt service.

Currently, the Township has not identified a revenue source to fund the RCC debt service increase. Though the revenue enhancements summarized in the analysis above may generate additional RCC profit, it is unlikely that increases will be sufficient to cover the additional debt service expense and potential capital facility and equipment needs. The Township is then left with three options: 1) Increase the debt service tax millage to cover the additional debt service expense; 2) supplement the RCC debt service expenditure with General Fund resources, or; 3) sell the RCC property and liquidate the remaining debt owed for the golf course.

Though the first two options will remain available to the Township, both have distinct disadvantages. Tax increases are never easy to enact and funding golf course operations with General Fund resources would have a detrimental impact on the Township services. Given these negative characteristics, it is prudent for the Township to begin evaluating what options may exist to sell the golf course property to a private owner so that an informed policy decision can be made.

Attachment B: Equipment Replacement Evaluation Matrix

Factor	Points	Description
Age	1	Each year of chronological age
Miles / Hours	1	For every 5,000 Miles of usage
	1	For every 250 Hours of usage
	1	For every year of life
Type of Service	1	Standard duties as equipped from factory
	2	Standard duties when used with attachments (Sickle Bar, Backhoe, Brush hogs)
	3	Multiple duties based on seasons (Snow, Mowing, Leaf Collection)
	4	Extreme duty in harmful Conditions (Dust, Landfill, Salt Loading, Water)
	5	Heavy construction including Snow Plowing and Removal
Reliability	1	In shop one time within three months' time period, no major breakdowns or road calls
	2	In shop one time within three months' time period, one major breakdown or road call in time period
	3	In shop more than once within three month time period, one breakdown or service call in time period
	4	In shop more than twice within one month time period, one or more breakdowns or service calls in time period
	5	In shop more than twice monthly with two or more breakdowns or service calls in time period
M&R Costs	1	Maintenance costs are less or equal to 20% of replacement cost
	2	Maintenance costs are 21 - 40% of maintenance costs
	3	Maintenance costs are 41 - 60% of maintenance costs
	4	Maintenance costs are 61 - 80% of maintenance costs
	5	Maintenance costs are greater than 81 % of maintenance costs
Condition	1	Good condition, fully functional
	2	Fair condition, functional
	3	Minor damage, weak operating system
	4	Severe damage, components not functioning
	5	Extreme damage, inoperable

Review of Operations
Streets, Parks and Sewer Departments

EXETER TOWNSHIP, BERKS COUNTY, PENNSYLVANIA
Review of Operations
Streets, Parks and Sewer Departments

Exeter Township's Streets, Parks and Sewer Departments were reviewed and compared for staffing, type of functions, performance and efficiency of operations. A review of the Township's equipment fleet was not part of the scope of this review.

Interviews were conducted with the following personnel:

- Clarence Hamm - Highway Superintendent
- Paul Herb - Wastewater Treatment Plant System Superintendent
- H. David Miller - Wastewater Treatment Plant System Assistant Superintendent
- Joe Seltzer - Parks Superintendent

OVERVIEW

The number of Township personnel budgeted in these areas is as follows:

- Streets - Superintendent plus 12 union-eligible employees (13 total)
- Parks - Superintendent plus two union-eligible employees (three total)
- Wastewater Treatment System - Superintendent, Assistant Superintendent plus 12 union-eligible employees (14 total)
- Total "Public Works" type employees = 30

The Township does not have a distinctly identified Public Works Department, but the services provided by its Streets, Parks and Wastewater divisions comprise public works services including maintenance of Township-owned streets, storm sewers, vehicles, buildings, parks, parking lots, and a yard waste site. The Township also operates a sanitary sewer collection system and waste water treatment plant (WWTP).

- A. Storm sewer maintenance is one of the Department's primary responsibilities. Staff performs inlet repairs, replacements and cleaning of the storm sewer units throughout the Township. The Department also performs surface maintenance of the storm sewers. Pipeline maintenance and replacements are performed by a third-party contractor when appropriate.
- B. The Department maintains the Township's streets with assistance from third-party contractors as needed. Hot patching and filling of potholes are done with Township crews and equipment. Street sweeping and snow plowing are performed by Department staff on all Township-maintained streets. There is no ongoing dedicated funding for street paving, and the Department does not maintain a pavement condition inventory. As funding for paving is made available, the Department performs an ad hoc pavement inspection to determine which streets will be paved.

C. In addition to maintaining the Department's fleet, employees handle preventative maintenance and vehicle repair services for all Township-owned vehicles. Highly-specialized repairs are generally provided by third-party contractors. The Department does do most of its own welding.

ASSESSMENT

Interviews with non-wastewater employees indicated that it was often difficult to accomplish public works tasks, particularly if any employees were off, especially for long-term illness.

In addition to interviews, the staffing levels in Exeter Township were compared to the following similar municipalities in nearby counties:

- Lehigh County - Lower Macungie Township, South Whitehall Township
- Northampton County - Hanover Township, Palmer Township, Bethlehem Township
- Berks County - Muhlenberg Township

For the sake of comparison, Exeter's Streets Department was treated as if it were a dedicated public works department due to the fact that it also has building maintenance, vehicle maintenance, recycling and yard waste responsibilities, as well as some responsibilities in the parks system.

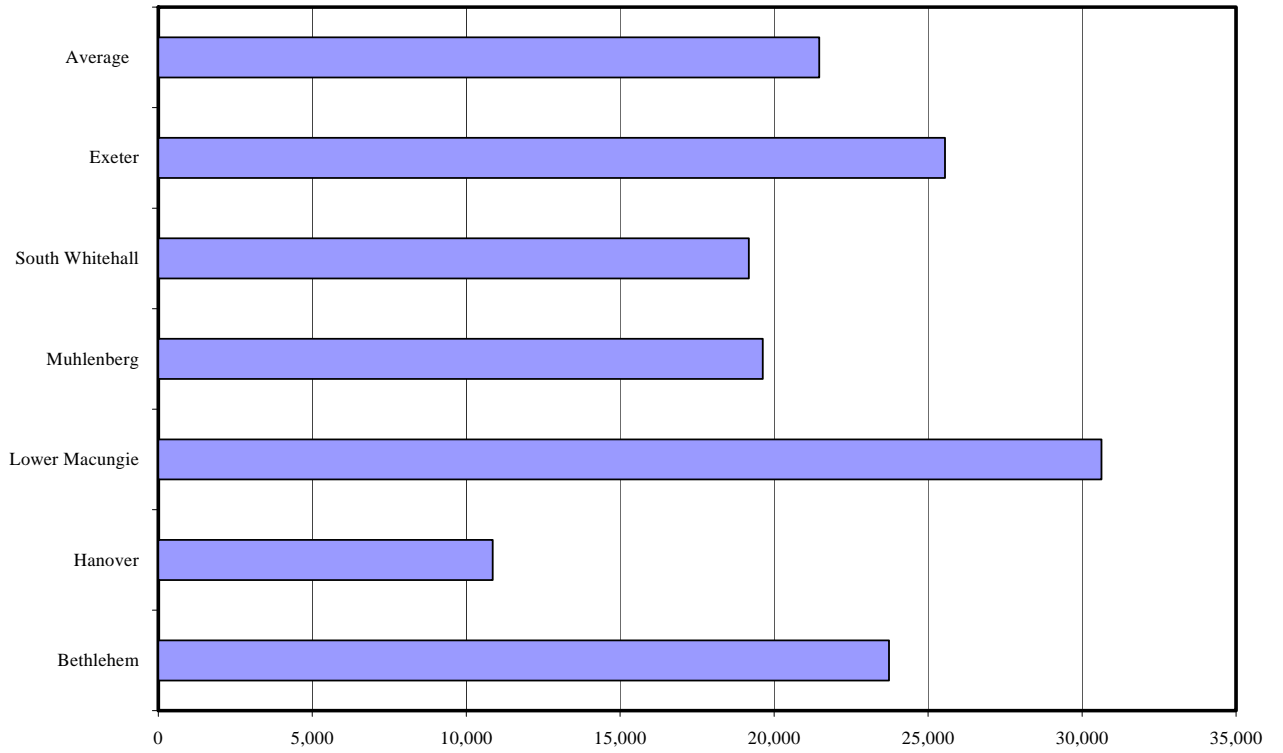
NOTE: Unlike Exeter Township, none of the comparison municipalities have a waste water treatment plant; therefore, it was assumed that seven employees were devoted to the WWTP in Exeter Township. That number was subtracted from the total amount of Exeter Township public works employees so the direct public works comparisons would be similar.

Figure 1 shows that the percent of public works employees versus the total municipal work force for Exeter Township (42%) is very close to the average of 40.5%. The number of Exeter Township residents served per public works employee (1,110) is slightly above the average of 1,047. This is a positive indicator in that more residents are served per public works employee than those municipalities with a lower number. The indicators for street and sanitary sewer miles per employee are also within an acceptable range.

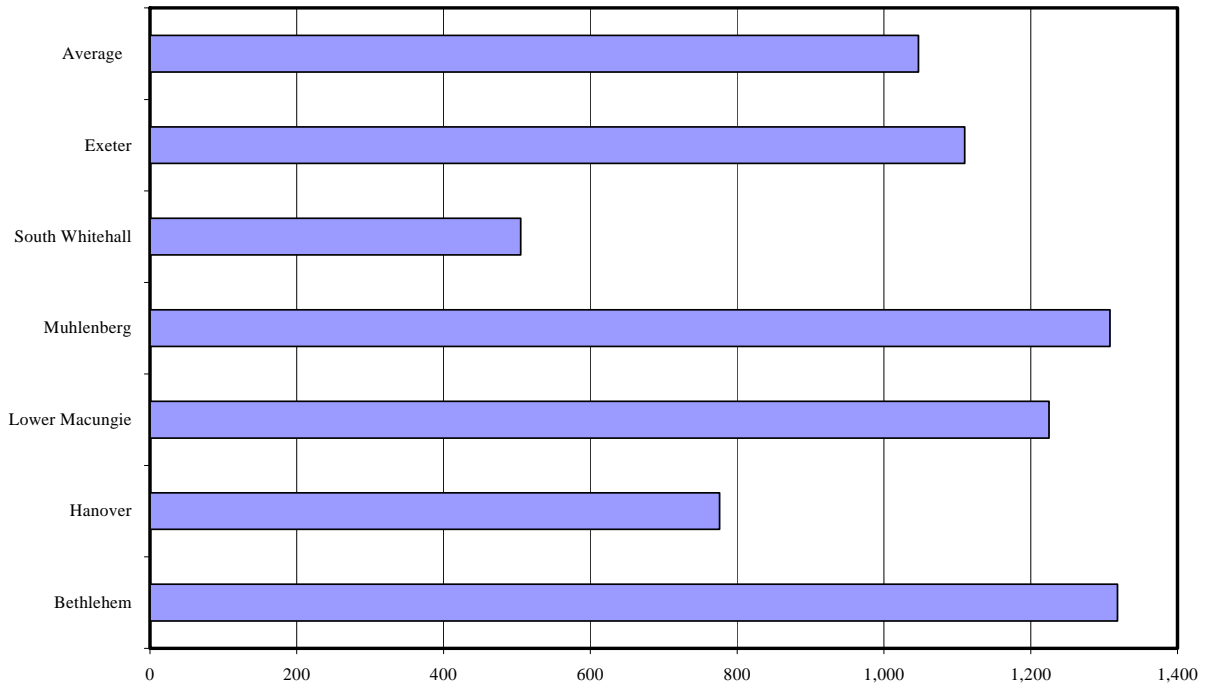
Figure 1
Exeter Township, Berks County

Comparable Township	Square Miles	Population as of 2010 U.S. Census	Residents Per Public Works Employee	Total Public Works Employees	Total Municipal Employees	Public Works Employees/ Total Municipal Employees	Street Miles Per Street Employees	Sanitary Sewer Miles Per Waste Water Employees
Bethlehem	14.7	23,730	1,318	–	–	–	130/18 = 7	N/A
Hanover	6.8	10,866	776	14	26	54%	64/6 = 11	N/A
Lower Macungie	22.6	30,633	1,225	25	46	54%	131/9 = 15	122/5 = 24
Muhlenberg	12.2	19,628	1,308	15	66	23%	80/12 = 7	N/A
Palmer	10.7	20,691	1,089	19	70	27%	93/9 = 10	118/3 = 39
South Whitehall	17.2	19,180	505	38	88	43%	105/21 = 5	118/9 = 13
Exeter	24.6	25,550	1,110	30	72	42%	63.5/(13-2) = 6	126/(14-7) = 18
Average	15.5	21,468	1,047	23.5	61.3	40.5%	95.21/12.28 = 8.71	121/12.75 = 20.5

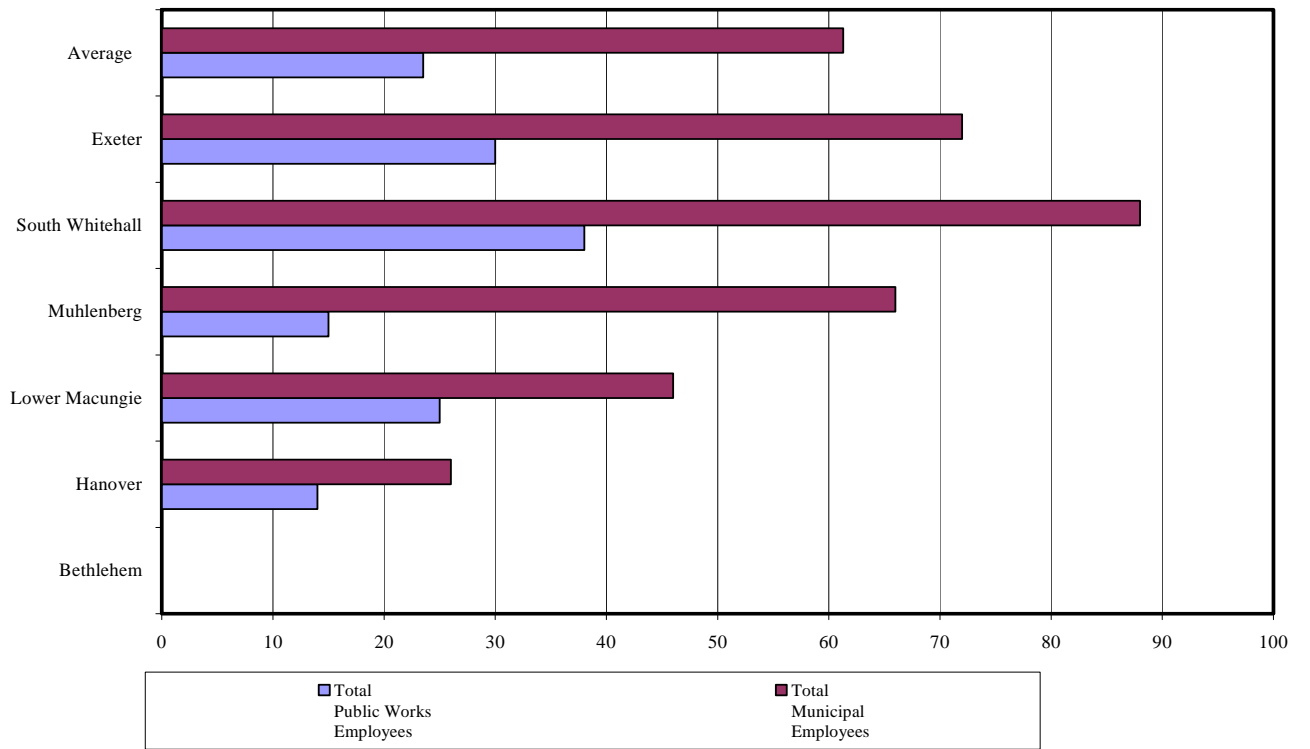
Population



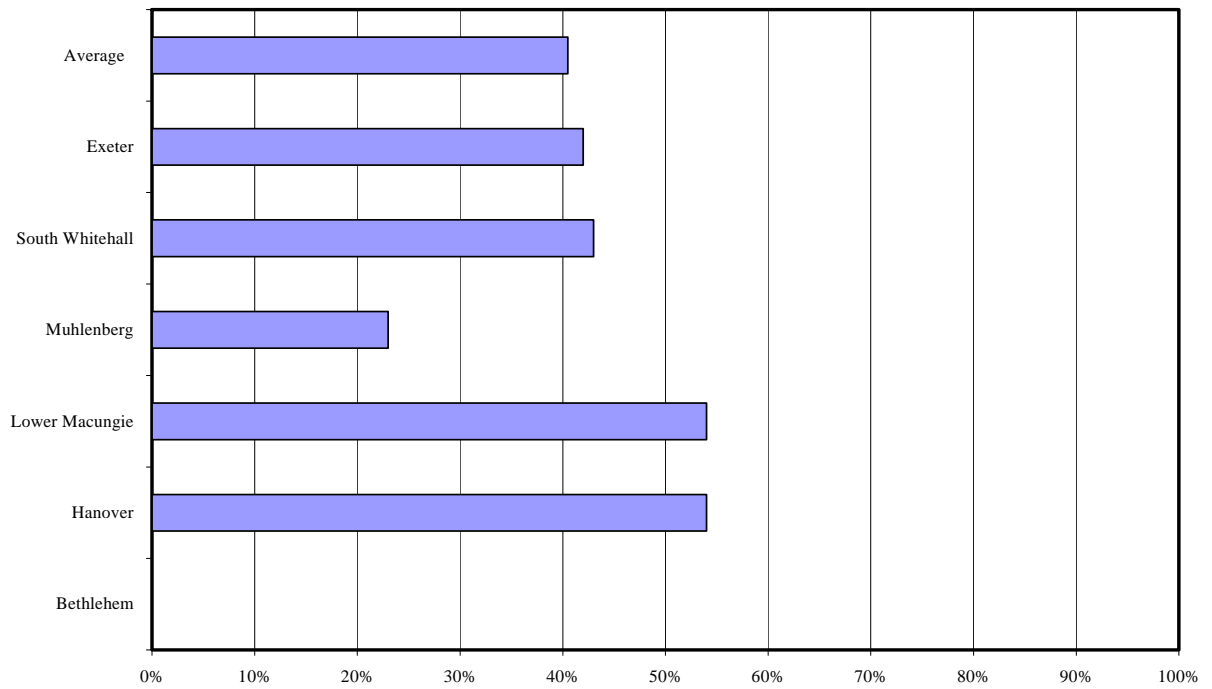
Residents per DPW Employee



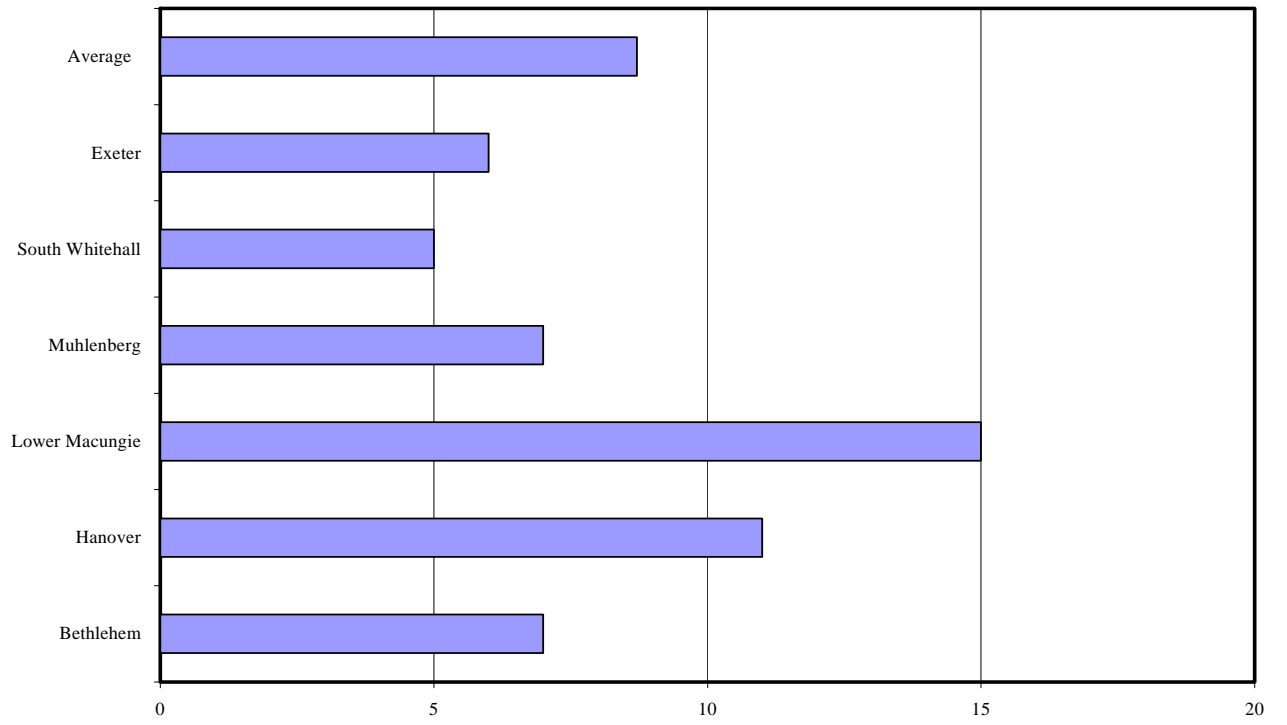
Total DPW Employees Versus Total Municipal Employees



DPW % of Total Employees



Street Miles Per DPW Employee



RECOMMENDATIONS

Exeter should consider creating a new position titled Director of Public Works in order to improve management and efficiency. This position would report directly to the Township Manager and would manage the three primary functions of Streets, Parks and Waste Water. Each of the Superintendents for these functions would report directly to the Director of Public Works and not to the Township Manager.

The Township would benefit from the position by bringing an experienced public works professional on board who could handle daily issues, budgeting and future planning. This would relieve pressure from the Township Manager who would then have only one direct report instead of the current three.

The new Public Works Director would be charged with melding the three separate groups together as one department in order to increase cooperation.

Costs associated with creating the position could be mitigated by spreading it between the General Fund and the Sewer Fund. Other revenue enhancements that could be considered are a separate Solid Waste/Recycling Fee, thus creating a Solid Waste Enterprise Fund, and possibly creating a separate Storm Sewer Fund or Authority.

The Township should also consider reorganizing the engineering and code services to have a primary person in charge, with that individual reporting directly to the Director of Public Works. One suggested title would be Manager (or Superintendent) of Engineering and Building Services.

A STUDY OF THE MANAGEMENT AND OPERATIONS OF
THE EXETER TOWNSHIP POLICE DEPARTMENT

Conducted and Prepared by

W. Ronald Smeal
Police Management Consultant
1271 Barnstable Lane, State College, Pennsylvania 16803
December 2013

Foreword

This report presents the findings and recommendations of the Consultant's study of the management and operations of the Exeter Township Police Department, Berks County, Pennsylvania. Management studies, by their very nature, often appear somewhat negative and highly critical of current operating procedures. Since the objective is to look for ways to improve the delivery of police service, shortcomings must be addressed more fully than the positive aspects of police operations and procedures. Therefore, review of this report should be conducted with this understanding in mind.

The Consultant found the Township officials, Manager and Township Staff, Chief and members of the Police Department to be candid, polite and professional. For this, each deserves special recognition. With continued attention, careful study, and implementation of the major recommendations of this report, the Police Department should experience improved function and efficiency.

The police portion of this study was conducted by W. Ronald Smeal, Police Management Consultant and retired Chief of Police of the Northern York County Regional Police Department in Dover, Pennsylvania.

The Consultant thanks the Township of Exeter for the opportunity to assist in exploring improvement opportunities of its police services. The cooperation extended to the Consultant is appreciated.

W. Ronald Smeal
Police Management Consultant

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Introduction

The purpose of this study was to conduct an in depth management review of the Exeter Township Police Department with the Pennsylvania Economy League (PEL). PEL was retained to conduct an overall in-depth Management Review of all Township Departments. The review was to develop strategies to improve overall management effectiveness and efficiencies and to provide recommendations with ways to improve the Township's long-term financial outlook. The review and recommendations were to explore the possibilities for the provision of inter-municipal services, regional cooperation, and inter- municipal cost sharing.

On Wednesday, September 4, 2013, W. R. Smeal, Police Management Consultant, met with all PEL Consultants and Township Officials to discuss the mission of the study. On September 19, and again on October 10, 2013, the Consultant met with Chief Christopher Neidert, Exeter Township Police Department, and Police and Township Staff members. The meeting involved discussions about police operations, gathering data and information necessary to conduct the study. The Consultant would then complete the police portion of the Management Study Report.

Exeter Township in Berks County has a population of 25,550 as recorded in the 2010 census. The Township was founded in 1741. In 1987, The Police Department was authorized to be staffed with thirteen (13) sworn police officers. In 2008, there were thirty-two (32) sworn police officers and three (3) full-time civilian employees.

Policies, practices, problems, issues and operations were evaluated as they relate to the principles that follow:

Management: goals and objectives setting and evaluation; policy development; written directives; communications and coordinating mechanisms; and supervision.

Management Controls: line inspections; staff inspections; and internal affairs.

Organization: grouping of functions; chain of command; span of control; duplication and fragmentation of responsibilities.

Personnel Management: promotion and performance evaluation.

Education and Training: educational requirements for the appointment and promotion of members; educational incentives; and recruit, field, specialized, advanced, refresher, and remedial training.

Patrol Operations: patrol methods and procedures; supervision; communications; vehicles; equipment; preliminary investigations; report preparation and review; shift structure and organization; and special enforcement operations.

Staff Allocation and Distribution: number, temporal and geographical distribution of patrol personnel; and appropriateness of staffing levels in other units of the Department.

Criminal and Special Investigations: case screening; case management; workload distribution; crime scene policies and procedures; shift structures; investigations policies and practices.

Crime Analysis: types and frequencies of analyses; data collection procedures; analytical techniques; dissemination patterns; and feedback and evaluation.

Records: report review; records controls; storage, maintenance, retrieval and retention; information security; privacy and access guidelines; and compliance with Uniform Crime Reporting (UCR) and auditing requirements.

Data Processing: scope and nature of applications and reports; use and utility of reports; command and staff input to selection and design of applications and reports; information security; computer-literacy levels; and equipment adequacy and redundancy.

Property Management and Evidence Control: issuing, accounting, and controlling agency-issued property; accountability for care and replacement; fleet management; marking, labeling, packaging, receipting, storing, accounting for and withdrawing found, recovered and evidentiary property; analysis of evidence.

Planning and Research: long-range planning; proactive and reactive planning; status of planning in departmental hierarchy and quality of planning products.

Legal Services: use of legal services; legal bulletins and information dissemination.

The study also examined factors that condition the environment in which the Department now operates and is likely to operate in the near future. This includes the incidence of crime, workload trends and the population growth.

I: CURRENT ORGANIZATION AND STAFFING

Exeter Township Police Department provides 24 hour service 7 days a week and is currently authorized to be staffed with thirty-two (32) sworn and two and one half (2.5) non-sworn members. However, There are twenty-nine (29) sworn police officers and two and one half (2.5) civilian employees: a full-time Chief of Police, five (5) full-time Sergeants of Police; twenty-three (23) full-time police officers; and two full time and 1 part-time (2.5) civilian employee's. One civilian is classified as the Records Supervisor and the others are classified as secretaries.

Two (2) police officer positions and one (1) Lieutenant position currently remain vacant. The Lieutenant position has been vacant since 2006 when the Lieutenant was promoted to Chief of Police. The two (2) police officer positions have remained vacant through attrition. One (1) of the three (3) full- time civilian positions (secretary) was reduced to a part-time position in 2012. It has been seven (7) years since a sworn police officer position has been filled.

In addition, the Department currently is operating with one (1) Sergeant on disability, one (1) Detective on disability, one (1) Patrol Officer off on workman's compensation. One additional officer has been off for the last month due to illness. That reduces the manpower available for duty to twenty-four (24).

The Department meets professionally accepted standards of educational achievement, recruitment and selection procedures, written and oral examinations, psychological, medical and drug screening, background investigation, basic and field training requirements, along with in-service training.

The Department provides several "Specialty" services. These specialty units are staffed by officers that have primary duties in either Patrol or Investigative areas.

Currently there are four (4) K-9 units. Two (2) are trained narcotics dogs and two (2) are trained explosive dogs. The two narcotics dogs were purchased through a William Penn Grant. The Grant also pays for some of the maintenance training. The Department requires a K-9 Use Report or an Assist Report when these units are utilized. The explosive dogs have been servicing grades K through 12 in the Exeter Township School District and the Berks Christian School. These units were instrumental in the arrests on bomb threats that occurred over the years.

There are four (4) officers that work narcotics investigations if/when needed. These officers are cross-sworn as County Detectives and participate in the County Drug Task Force.

The Department discontinued the "Traffic Unit" that was staffed with two (2) police officers. These officers were responsible for Accident Investigation, Commercial Vehicle Enforcement and completion of Traffic Studies. This unit was discontinued during the spring of 2013 when the second of the two officers retired.

Also discontinued in 2013 was the DARE program. Manpower limitations were reported as the primary cause of the demise of this program.

There is a Bike Patrol Unit currently available for service. However, due to call volume and manpower limitations for scheduling, the Unit is limited in availability and rarely utilized.

The Township is bordered by eight (8) municipalities. Saint Lawrence Borough was once provided contracted police service by the Township. However, in 2009, the Borough discontinued the contract when Exeter Township increased the cost to the Borough. The increase occurred after determining that the Township had been providing service for less than it was costing the Township. The Borough now receives police service from a Regional Department. Five (5) of the remaining adjacent municipalities field their own Departments with as few as one (1) officer to as many as eight (8) full-time officers. Two (2) municipalities have no local police service and receive service from the Pennsylvania State Police.

According to 2010 census figures, the Township population has **increased** 20.74% (21,161–25,550 = 4,389 divided by 21,161 = 20.74%) while the Police Department has experienced a **decrease** of 9.38% (32-29 = 3 divided by 32 = 9.38%) in sworn police officer positions and 16.7% (3 - 2.5 = .5 divided by 3 = 16.7%) in civilian employees. The Police Department growth has been less than the population growth.

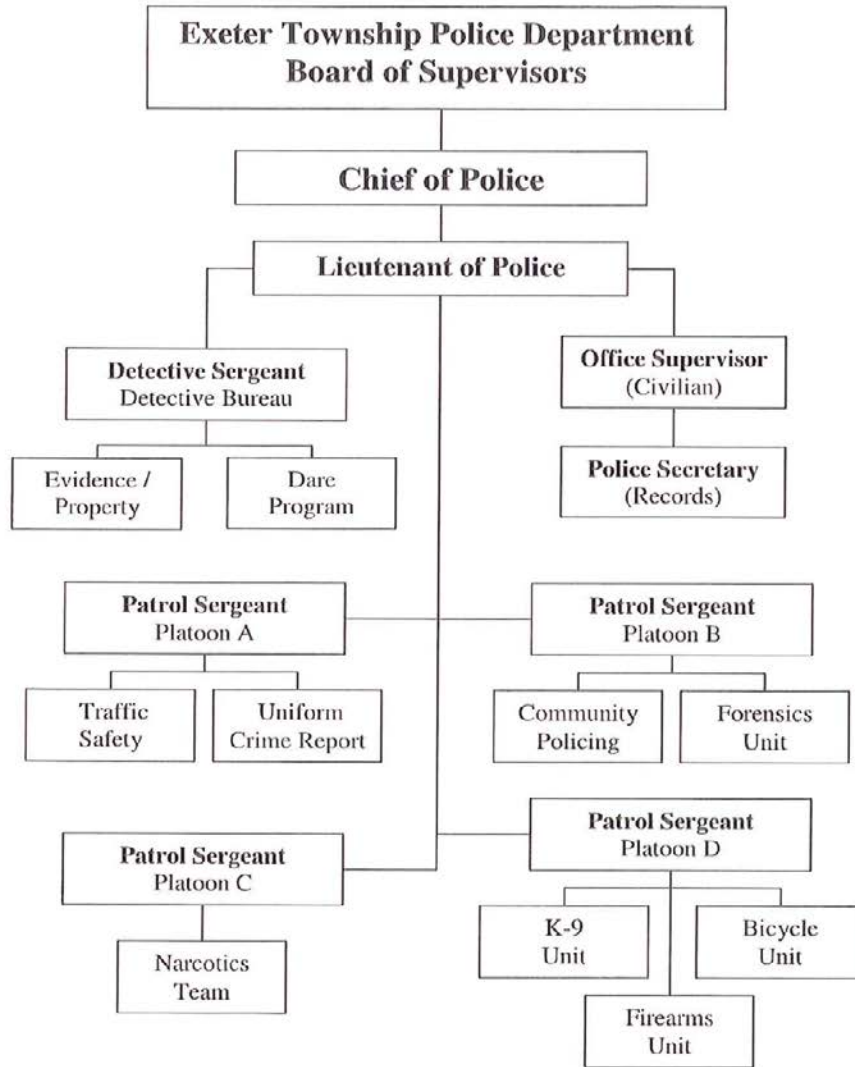
The Police Department has a formal organizational chart and is divided into areas of responsibility. The basic areas of responsibility are patrol and response to calls for service and investigations responsible for follow up on incidents that are criminal in nature. In addition to the Department specialties mentioned above, they have an evidence custodian; report review/uniform crime reporting; field training officer and firearms training officer. Patrol officers perform specialty duties on an “as needed” basis. In addition to numerous other duties, the civilian employees function as the records section coordinator, dispatcher, clerical support, receptionist and numerous other duties. All employees report directly to their Sergeant and/or Chief in accordance with the de-facto response from interviews.

The Police Department Organizational Chart follows:

**CHART 1
EXETER TOWNSHIP POLICE DEPARTMENT
ORGANIZATIONAL CHART**



**Exeter Township Police Department
Organizational Chart**



April 24, 2012

PROJECTED MANPOWER NEEDS AND SERVICE LEVELS

The formula used by the Consultant to determine police personnel needs was developed by the International Association of Chiefs of Police. The formula has been used and applied extensively throughout the Commonwealth by the Consultant and found to be reliable. However, like most situations where an overall standard is used to determine a factor, it is subject to error and should not be considered infallible.

The IACP formula is applied on the assumption that forty-five (45) minutes is the average time necessary to handle the average police incident. Furthermore, one-third of an officer's duty time should be utilized for responding to and handling incidents. A police officer is actually available for duty approximately 1,760 hours a year when all vacation, training, holidays, sick leave, bereavement leave, court time, etc. is considered. This calculation determines only the manpower needs for patrol officers "on the street" handling calls and does not include administrators, supervisors and/or specialists. In order for the formula to be accurate, it is extremely important that the information about the number of incidents reported be accurate.

While conducting studies over the past thirty-three (33) years, the Consultant has found that the reporting of data on incidents has been less than accurate. Due to the lack of a standardized reporting network in the Commonwealth of Pennsylvania, the lack of standardized training of police personnel and the administrative prerogative of individual municipal departments, there appears to be inconsistency in reporting. Therefore, it has been found that the realistic incident data lies somewhere between that reported by Departments and that expected, if utilizing the average of .55 incidents per thousand population. This report was prepared by considering the incidents/assignments reported and the population average. Experts report that of all calls answered, 20% will be criminal in nature and 80% will be service in nature. Consideration of these methods to determine incident workload allows for increased reliability of incident workload. In addition, the Consultant considered the current staffing levels of one of the participating municipalities involved, along with the financial obligations currently in effect. The IACP formula is summarized as follows:

Determining Patrol Force Manpower Needs

Step 1 Determine the number of complaints or incidents received and responded to by the police department. Complaints and incidents include all forms of police activity where an officer responded and/or took an official action. Incidents do not include situations where advice was given over the telephone, delivering messages, handling internal police department matters, etc.

If the actual number of incidents is unknown, sound estimates may be made based upon the assumption that, on the average in any community, 550 complaints or incidents will occur for every 1,000 residents, or .55 per resident.

Step 2 Multiply the total complaints or incidents by 0.75 (45 minutes). It is generally conceded that 45 minutes is the average time required to handle a complaint or incident.

Step 3 Multiply by three (3) to add a buffer factor and time for preventive patrol. General experience has shown that about one-third of an officer's time should be spent handling requests for services. Other requirements for servicing police vehicles, personal relief, eating, and supervision must also be taken into consideration. Multiplying by three (3) makes up for the unknown.

Step 4 Divide the product by 2,920, which is the total number of hours necessary to staff one basic one-officer patrol unit for one year (365 days x 8 hours = 2,920 hours). The result of applying the IACP formula established the number of patrol elements necessary to police the community. This is not the number of officers, but the number of patrol elements.

To determine the number of officers required to staff each patrol element, the assignment/availability factor must be determined. This is accomplished by determining how many hours each year the average police officer is not available for duty on the street and subtracting that time from the patrol element hours of 2,920. Summarized below is that calculation.

<u>Factor</u>	<u>Annual Man Hours</u>
Regular Days off (2 days per week)	832
Vacation (15 days per year)	120
Holidays (10 days per year)	80
Court Days (5 per year)	40
Training (5 days per year)	40
Sick and injury (5 days per year)	40
Miscellaneous leave (1 day per year)	<u>8</u>
 Total	 1,160

(2,920 hours minus 1,160 Non-Available hours equals 1,760 Available Hours)

Step 5 Once the total available hours of the average patrol officer is established, the assignment/availability factor is determined by dividing the available hours into the patrol element requirement of 2,920 hours. This results in a factor of 1.66. In other words, it takes 1.66 police officers to staff each patrol element required to police the community. This includes only patrol personnel and does not include administrators, supervisors, or specialists.

Chart 2 follows and demonstrates the application of the International Association of Chiefs of Police Association manpower formula that is "incident based". The column marked +A/S/I includes the number of fixed positions in Exeter Township. Currently, there are three (3) Detectives, one (1) Detective Sergeant, four (4) Patrol Sergeants, a Lieutenant and the Chief of Police currently authorized to staff administration, supervision and investigation positions. That number ten (10) is represented in the column marked A/S/I. It also represents the total manpower needs of thirty-four (34) using population averages and thirty (30) when using Exeter Township activity report of incidents handled.

CHART 2: MANPOWER NEEDS
Exeter Township
Based upon a population of 25,550
And
Based upon reported 2012 incidents of 11,518

INCIDENTS	X.75	X3	DIVIDE BY 2920	X1.66	+A/S/I	TOTAL
Population						
25,550	14,052.5	42,157.5	14.4375	23.97	10	34
Exeter - based upon 2012 Incidents	11,518	34,554	11.833561	19.64	10	30

Findings:

1. The aforementioned calculations are based upon population averages and the 2012 reportable incidents (Criminal and Non-Criminal) calculated from the Police Monthly Reports. Time did not provide for verification of incidents by the Exeter Township Police Department.

Note: In the Consultant's experience, the population calculations have proven to be quite reliable and consistently close with Departments that do report actual incidents to their respective municipalities.

2. As mentioned above, the manpower formula itself does not include administration, supervision or investigative positions. Administration is straight forward in a small Department and is vested in the position of Chief and Lieutenant of Police.
3. The Department staffs the supervision component with one (1) Detective Sergeant and four (4) Patrol Sergeant Positions. The Patrol Division works a four (4) platoon system of 12-hour shifts each.

According to Sam Walker, Police Accountability: Current Issues and Research Needs, paper presented at the National Institute of Justice, "Span of control is an organizational-level factor detailing how many officers a supervisor can be expected to effectively control. While there is no definite figure, experts tend to agree on a ratio of roughly eight (8) officers per supervisor. It is highly unlikely that a single supervisor could effectively supervise more than eight (8) patrol officers. A larger ration would more than likely result in too many officers to effectively supervise, while too small a ration would not be an optimal use of supervisory resources".

The Department handles follow-up investigations through the supervision of the Detective Sergeant. The Department currently does not specifically track and/or account for the hours devoted to follow-up investigations; however, with the number of officers involved, the Sergeant has first-hand involvement and knowledge of the work being conducted.

4. The Detective Unit is working with one detective short due to disability.
5. One Police Officer assumed the responsibility of Fire Marshall (no extra compensation) in 2007 when the Township Fire Marshall, that was a civilian paid position, was eliminated. The Police Department assumed budgetary costs of overtime and equipment.
6. The Police Department provides staffing on the County Youth Aid Panel in lieu of prosecuting juvenile offenders in Berks County Court. Although YAP involves overtime, the Consultant was advised that YAP is less costly than compensation/overtime would be involved if court prosecutions were instituted.
7. The Lieutenant's job description duties have been distributed among the Chief and Sergeants. The more duties assigned to an individual create situations where routine duties must be impacted and effectiveness must, therefore, be impacted.
8. Sergeants handle command responsibilities during times when the Chief of Police is unavailable, without submitting for overtime compensation in accordance with the labor agreement.
9. Senior Officers in Charge submit for compensation in accordance with the labor agreement during times when they assume command of a platoon when the Sergeant is unavailable.
10. During fiscal years 2013 – 2018, Berks County will transfer a 911 Dispatching Fee to Municipalities based upon population. The fee is to increase 18% annually. Next year (2014) the total cost to the Exeter Township police budget for county dispatching will be \$132,000.
11. From 2005 to date, the Police Department has received \$678,000 from the Penn Foundation. The Department receives an annual grant that has been used to purchase vehicles, equipment and training.

Recommendations:

1. Evaluate the current manpower limitations in connection with the current Organizational Chart and assess the ability to provide the services depicted. Develop a plan to adjust the current manpower to meet the mission of the organization or adjust the organizational chart/mission to meet the limitations of the current available manpower.
2. Review and consider the clearance rates of Part I and Part II crimes in comparison to the County clearance rates when completing recommendation number 1. The ETPD clearance rate is above the County average and will surely be negatively impacted if further reductions in manpower occur. Clearance rates will be discussed later in this report, beginning on page 21.
3. Give serious consideration to filling the Lieutenant position.

Note: Mitchell P. Weinzetl, Chief of Police, Buffalo Minnesota Police Department discussed the concept of succession planning in the Police Chief Magazine, November, 2012, page 46. Succession planning is a process through which many organizations, both public and private,

prepare for the eventual departure of key leaders. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.” Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be “monitored”. Staff should be empowered to make key decisions within an agency.

A. PATROL

Exeter Township Police Department, as a whole, has a basic “mission statement”. The uniformed patrol section’s basic mission is to “prevent crime, protect life and property, preserve, enforce, detect, apprehend and arrest violators of law”. In addition, there are a variety of additional tasks and functions enumerated in the Police Officer Job Descriptions.

The Police Department schedules police patrol service through four (4) platoons working twelve (12) hour shifts. Two (2) platoons work days and two (2) platoons work nights. The platoons switch days to nights every eight (8) weeks. There are five (5) reporting zones and four (4) patrol zones. There is a three (3) Officer and one (1) Sergeant minimum staffing requirement. When the Department is at full strength, they can staff with five (5) Officers. When the now deactivated “Traffic Unit” was operational, it was possible to field seven (7) Officers on the day platoon. Each platoon is supervised by a Sergeant. One Sergeant is currently on disability leave and a Senior Officer has replaced this Sergeant and is paid Sergeant pay in accordance with the labor contract. Any time an absent Sergeant is replaced for supervision, the Officer is compensated at Sergeants’ pay.

Patrol officers respond to incidents and complete reports of initial investigations. The Sergeant reviews the accuracy and content of the reports to determine whether or not the incident requires follow-up investigation by the Detective Bureau. The Sergeant also completes the Uniform Crime Coding.

NOTE:

During the course of the field work, the consultant interpreted minimum patrol staffing at “three officers”. In as much as “Sergeants” are not “Officers” the consultant presented the minimum staffing requirement as a Sergeant and three Officers. However, this interpretation would not change the staffing recommendations.

B. INVESTIGATIONS/DETECTIVE BUREAU

The investigation of crime is a basic responsibility of law enforcement officers. However, it should not be viewed as the sole responsibility of the criminal investigator. To be successful, the investigative effort requires the cooperation of all personnel, but in particular, the uniformed patrol officer and the investigator. The effectiveness of a patrol unit’s proactive strategies, the speed with which it responds to crimes in progress and the quality of its preliminary investigations all have a major impact on whether or not an offender is ultimately apprehended.

When a call on a criminal matter results in an arrest by a Patrol Officer, the Detective’s role is usually limited to assisting. The Detective assists with filing complaints, recovering property when appropriate, and determining whether arrestees are responsible for other unsolved

crimes. When a call on a criminal matter does not result in an arrest by a Patrol Officer, identity of offenders is not known, and apprehension of an offender is not imminent, criminal investigators begin follow-up investigations. The responsibility of a Patrol Officer in these instances is to conduct a thorough preliminary investigation, gathering as much information about the nature of the crime and physical evidence as is available and practical. Departments must promote the effectiveness of the preliminary investigations process. This is accomplished by providing field report forms that are structured to ensure that essential information and evidence are sought and by having expert crime scene criminal investigators, evidence specialists, or both.

The Detective will analyze all reports and information supplied by the Patrol Officer, integrating them with the knowledge and experience gained by investigating other similar crimes. The Detective will employ the latest criminalistics techniques, as well as interview and interrogation skills, to solve a case. The Detective must be capable, dedicated and well-trained. He must develop a close working relationship with the uniformed patrol personnel. This partnership should lead to a continuing exchange of case information and intelligence. If kept informed about current investigations, the Patrol Officer can focus efforts on the most productive areas.

The Investigative Supervisor must coordinate and manage the entire follow-up process to ensure that a Department's limited manpower is used in the most productive manner. To maximize investigations productivity, which is measured by case clearances, criminal investigations units should use solvability factors to determine which cases have a reasonable potential for clearance and will, therefore, be followed up. Cases which do not have a potential for clearance should not be followed up. When cases are not followed up, complainants should be so notified and told why the case is not being investigated further. Supervisors must distribute workload equitably, establish guidelines for the amount of time that can be committed to individual investigations, authorize investment of "exceptional" time on investigations and ensure that the case clearances and closures comply with UCR standards. Supervisors must evaluate the performance of the entire unit and the performance of the individual investigators.

Investigators must be selected carefully. Selection techniques, both written and oral, should emphasize analytical abilities and interpersonal skills. Tests used for the selection process must be based on job analysis. Once selected, Investigators must be well-trained in interviewing and interrogation; information development and retrieval; planning, organizing and conducting searches; forensics; arrest; case preparation and testimony. Upon appointment, new criminal investigators should undergo 80 or more hours of intensive, specialized training. Like other field personnel, Investigators need periodic in-service training to remain up-to-date on evolving legal issues and court decisions and to become proficient in the use of new procedures and technology. Because of the significance of the preliminary investigation to the ultimate success of the follow-up investigations, field patrol officers must also be trained in the same subject areas, though not as in depth as full-time criminal Investigators.

Departments should have Investigators available or on call 24 hours per day, or should establish other flexible arrangements to accommodate investigative requirements at crime scenes. The varying schedules of citizen witnesses and other demands of the investigations process necessitate availability. The authority, responsibilities, policies and procedures of criminal investigation units should be covered by written directive. It is particularly important to establish clear written directives for areas of great sensitivity. This includes the use of informants; use of Departmental funds, drugs, evidence, other resources for investigative purposes, confidentiality of information, and especially information that pertains to youth and sexual abuse victims.

Current Conditions in the Exeter Township Police Department

The Exeter Township Detective Bureau functions on a full-time basis. There are three (3) detectives assigned with one currently off on disability. There is a Sergeant that supervises the Detective Bureau. As the reports come in from the Patrol Bureau, the Sergeant determines to which Detective he is going to assign the follow up investigation. This is determined by the Sergeant's knowledge of each Investigator's knowledge, expertise and experience. For example, if a Detective is more experienced in handling sex-crimes, that Detective will be assigned sex crime cases. However, if the Sex Crime involves a juvenile, it is referred to the Berks County District Attorney's office in accordance with the District Attorney's Policy. The Sergeant will monitor the Detective's handling of the case and offer counsel and advise if/when necessary. In times when the workload dictates, the Sergeant will handle a case himself. In addition, the Sergeant has many additional duties, such as vehicle fleet manager, accreditation manager and duties previously handled by the vacant Lieutenant's position.

Follow-up cases are not formally supervised; however, the Chief and/or Detective Sergeant periodically discuss cases with the Detective handling a follow-up investigation. There is a "perception" that follow-up cases are being handled satisfactorily and the UCR clearance rates support this perception.

It is relevant to consider here, and will be addressed later in this report, that the average "clearance rate" of Part I Crimes for Exeter Township is 36.72% from 2008 through 2012. During the same time period, the entire Berks County's clearance rate is 34.10%. It should be noted that ETPD's statistics are part of the county figures. As can be realized, Exeter Township's Part I clearance rate is greater than the county as a whole.

It is also relevant to consider, and will be depicted later in this report, that the average "clearance rate" of Part II Crimes for Exeter Township is 65.34% from 2008 through 2012. During the same time period, the entire Berks County's clearance rate is 69.42%. Again, it should be noted that ETPD's statistics are part of the county figures. Exeter Township's Part II clearance rate is lower than the county as a whole.

The manner in which the Detective working in these units does appear to have justification with regard to workload (correlation to the number of Part I and Part II crimes) reported or the investigations being conducted, and/or case clearance rates. There is a professional policy, methodology, and procedure about the manner in which cases are selected for follow-up investigation. Solvability factors are formally considered throughout the investigative process.

Evaluation

The current basic organizational scheme appears to produce effective results. Policies and procedures appear adequate as reflected in Department's clearance rates published in the Pennsylvania Uniform Crime Report. Deficiencies may exist with respect to staffing as it relates to working with one less Detective due to disability.

Recommendations

To strengthen patrol, investigations, and improve crime clearance rates, the Department should consider the following actions:

1. Consider creating the rank of Corporal in place of the senior officer concept during times when the Patrol Sergeant is unavailable. Calculate the current compensation being paid to Officers and use this figure to arrive at a rate for the Corporal position. Any consideration should involve the Police Bargaining Unit in compliance with Act 111.
2. Study the effectiveness consequence of the limited use of bicycle patrol and consider merit for re-activation if manpower is returned to the authorized number.
3. Develop and implement a formal vacation home check policy that allows Township residents to have the police visit and check their residence while they are away.
4. Develop and implement an annual performance evaluation system for the Detective position.
5. Develop and implement a Detectives' Morning Report and monthly summary report detailing relevant information to be submitted by the Detective Sergeant to the Chief of Police.
6. Focus on a review of the investigation of Part II crime investigations to determine if the clearance rates can be improved upon and be more closely in line with County averages.

C. POLICY

Policy refers to a course or courses of action adopted and pursued to achieve agency objectives in acceptable ways, to establish the directions in which an agency will proceed, to establish required modes of institutional behavior and to encourage uniform operational action. Policy specifies principles to be observed rather than procedures or rules to be followed to actualize principles. Formulating policy is the responsibility of the Chief of Police. It is one of the most important responsibilities a Chief has to perform.

A Police Department should have a standing policy in every area of significance as to its role and operations. Consensus on even the approximate number of areas which are significant and the nature of the areas does not exist. A contemporary, high-quality manual that the IACP uses as a model contains 151 individual policy statements. Policy must be definitive, clear and comprehensive. It must be written so that it can be uniformly communicated and understood. Having policy in writing is a major defense in liability situations, assuming that policy is also appropriate and constitutional. Although the policy positions of a Department are ultimately those chosen by the Chief of Police, members of a Department should be relied upon to help identify areas in which new policy is needed, areas in which current policy must be modified and to help formulate policy. Staff involvement enriches the policy identification and formulation process and gives staff an investment in the product. Policy development and modification should be ongoing. A Department's entire body of policy should be comprehensively reviewed, at least biannually. The review should focus on the need to change existing policy and to establish new policy. Special attention should be directed toward eliminating conflicts and redundancy in policy.

Current Conditions in the Exeter Township Police Department

The policies of the Exeter Township Police Department are contained and distributed in a Department Manual. The Manual also contains job descriptions that include the essential functions of the job.

Policy and Policy implementation have been examined and assessed by the Pennsylvania Chiefs of Police Association. Exeter Township Police Department earned Accreditation in 2012. It is noteworthy to mention that ETPD is one (1) of only ninety three (93) police agencies that have been accredited by the Pennsylvania Chiefs of Police Association according to Mr. Joseph Blackburn, Accreditation Manager. With the Commonwealth having 1200 plus/minus municipal police agencies, only 7.75% have been accredited. This achievement was accomplished through the efforts of two (2) volunteer Police Officers and civilian staff, supervised by the Detective Sergeant under the command of the Chief of Police.

Evaluation

The current system is adequate and in compliance with established professional standards. It appears that policy development and updating have received considerable attention.

Recommendation

To strengthen the body of policy, the Department should consider the following actions:

1. Continue to routinely inspect policy, rules and regulations manuals for completeness and accuracy as it relates to re-accreditation by the Pennsylvania Chiefs of Police Association.
2. Include an Indexing page/section to the Manual.
3. Upgrade general orders by adding cross-references.

D. RECORDS

A Police Records System must be complete and accurate in its information gathering capability, swift in its ability to deliver needed information and operated at a minimal cost. With such a system, a Police Department may keep a watchful eye on the criminal activities in the community and monitor its own success in suppressing these criminal activities. Without high-quality information, no Police Department can hope to provide the kind of service that the taxpayers deserve.

The basic tool of the modern Police Officer is the police report. It is in this report that the Officer forms the groundwork for an active and successful prosecution of the criminal offender. It also records information that the Officer has taken action on a complaint and has documented his/her reasons for acting or not acting on the complaint. The report also assists the Police Department by providing accurate proof of police activities.

In a larger perspective, the individual police report becomes part of a larger tool used by the Department's Record System. This system is the informational base of any Police Department.

It is here that the individual Officers deposit their findings in a common pool that all other officers may draw from when necessary. In order for this system and the Police Department to be

effective, the system must have the ability to accurately record information and hold it, and conversely, to quickly give out information when necessary.

Current Conditions in the Exeter Township Police Department

This area functions with full-time supervision and/or direction. The Records Section receives day to day attention and functions under standard operating procedures. The records are maintained in the Central Records/Communications area under adequate security. This section provides all support services for the entire Police Department operations. The service includes, but is not limited to, dispatching when calls are not routed through Berks County Emergency Operations Center, records maintenance, data entry, completing and maintaining statistics and preparation of the monthly report, false alarm billing, clerical and secretarial support to all divisions, receptionist duties and a myriad of duties to numerous to list.

The Records Section is staffed with a full-time Civilian Supervisor and one (1) full-time and one (1) part-time Secretary. As previously noted, one (1) part-time secretarial position was a full-time position through 2011. Interviews suggest that the Section's ability to maintain the workload has suffered as a result of the reduction. There are tasks such as False Alarm Billing, Citation and other required entries into the data base that are behind schedule. In addition, there are times when staffing during vacations, sickness, doctor's appointments and other time off instances become difficult to cover.

Evaluation

The Department has fashioned a Records Section that appears to be in compliance with established professional standards. The Department does not provide an "Annual Report" of police activity.

Recommendations

1. Conduct a workload time study to determine the adequacy of the current civilian staffing level.
2. Adjust or maintain staffing in accordance with the study result.
3. Create, publish and deliver to Township Officials a "Department Annual Report" of relevant crime and personnel activity throughout a given year.

E. DISPATCHING

Dispatching service is provided Monday through Friday, in part, by the Exeter Township Police Department Secretary and constantly through the Berks County Emergency Operations Center. The BCEOC call sheet is used to compare the Police Department's completed incidents to ensure that reports are being prepared on dispatched calls. The Secretary/Dispatcher handles walk-in complaints, citizens requesting fingerprint services, general information, and paying fees and parking tickets.

Current Organization and Staffing Evaluation

The current organization of the Department appears to reflect consideration of the majority of principles of organization. The most important are:

- Responsibility must be clearly fixed to ensure that every function of a police agency should provide is performed.

- Responsibility for every function that a police agency performs must be clearly assigned to one person.
- Functions which are similar or related in purpose, process, method, or clientele should be grouped together in one or more units.
- Responsibilities, duties and authority of units should be clearly defined and delineated so that accountability can be fixed and duplication of effort and non-performance of duties due to failure to assign can be prevented.
- Responsibilities, duties and authority of units should be known to all members of a Department through written directives.
- Only one person should control each unit and each individual, thus achieving the principle of unity of command and avoiding the friction that results from duplication of direction and supervision.
- Names of organizational units should reflect purpose.
- Specialized units should exist only if they significantly increase overall departmental capability.
- Control channels should exist to enable information to flow up and down, and to enable management to delegate authority, place responsibility, supervise work and coordinate efforts. These channels should be well understood by all members of a Department to ensure that they know to whom they are responsible and who is responsible to them.
- Span of control must be broad enough for economical management and supervision, but not so broad that managers and supervisors cannot manage or supervise effectively.
- Each assignment or duty must be paralleled by commensurate authority to fulfill the responsibility.
- Persons to whom authority is delegated should be held accountable for the use of the authority or the failure to use it.

Most problems that confront police departments cannot be resolved or prevented simply by observing principles of organization. Observing principles of organization cannot overcome innate weaknesses in the motivation or capabilities of personnel, eliminate inertia, or generate the initiative required for effective direction and control. Observing the principles will produce an organizational structure, however, that will influence the efficiency of a police department positively when capable personnel, motivation and other essential factors are present.

Management is a science and outstanding management training for police organizations is readily available. A manager plans, organizes and controls the efforts of an organization. He or she focuses on function, facts and priorities.

Lee P. Brown, past President of the IACP stated: "A leader is visionary, charting a course for the organization, then, guiding it toward the chosen destination. A leader influences others to

achieve stated purposes and reach the goals that are consistent with established values. Courageous individuals, leaders are those who dream and have the ability not only to share their dream with others, but, to translate the dream into reality.”

Recommendations

1. Maintain the Department in accordance with the above principles of organization.
2. Explore any and all possible opportunities to decrease the 911 dispatching fee discussed on page 13, findings, number ten (10).

II: TOOLS FOR EVALUATING DEPARTMENT EFFECTIVENESS IN FIELD OPERATIONS

The effectiveness of a police department is determined by many factors. The police department and the citizens of the community look upon crime and the relative feeling of safety that exists within the jurisdiction as a primary role of the police. There is some question concerning how much impact the police really have on crime. However we must, look at the crime rate, the ability of the police to respond in a timely fashion, the amount of violent crimes (Part I offenses), and the less serious crimes (Part II offenses) occurring in the community as effectiveness measures.

Another important factor is the ability of police to solve crime once it is brought to their attention. This deals with a police department’s arrest rate and clearance rate. Yet another factor can be examined by looking at the conviction rate – those cases in which an arrest was made and whether or not a court conviction was achieved.

Patrol is the backbone of any law enforcement agency. The philosophy held by officers on patrol has very serious ramifications toward accomplishment of the police mission.

Studies indicate that police departments employing an “aggressive” patrol strategy experience higher arrest rates and lower crime rates for robberies than jurisdictions with a “passive” patrol strategy. This is accomplished by making frequent “street stops” or issuing an above-average number of traffic citations. Generally, if a criminal knows that police are actively stopping suspicious persons and making field checks, or if the criminal sees more police on patrol, he may not commit crime because he perceives that his chances of being caught are greater. This perception will often lower the crime rate in a given jurisdiction.

Accident Enforcement Index is another measure of effectiveness that can be drawn through an examination of data. Experts (Northwestern Traffic Command Institute) report that for every injury accident, twenty (20) citations should be issued for optimum enforcement. Optimum enforcement is desirable in an effort to reduce injury accidents.

The ETPD Monthly Report indicates the number of traffic citations and accident information. The ETPD computerized data does not break out injury accidents data that are included with the “reportable accident” statistics. However, they were able to gather the information from the PA Department of Transportation. Table 1 depicts the information as follows:

**TABLE 1:
EXETER TOWNSHIP POLICE DEPARTMENT
ACCIDENT ENFORCEMENT INDEX**

Year	Citations Issued	Injury Accidents	Enforcement Index
2012	1,732	98	17.67
2011	1,863	104	17.91
2010	2,451	83	29.53
2009	3,420	90	42.75
2008	2,818	98	28.75

Source: Exeter Township Police Department Records Section

Evaluation

1. The table indicates that ETPD's traffic enforcement index exceeds optimum through 2010.
2. The table indicates that ETPD's traffic enforcement index has decreased the last two (2) years, however, nears the optimum level.
3. Citations issued in the ETPD decreased from 2,818 during 2008 to 1,732 during 2012 or 1,806 (64.40%) over the five (5) year period.
4. Citations issued in Exeter Township last year (2012) have decreased to 144.3 per month compared to 234.8 per month during 2008.
5. Although the total five (5) year enforcement record supports a patrol mission that subscribes to an "aggressive" patrol strategy, the enforcement record has been in noticeable decline over the last few years.
6. Injury Accidents have a five (5) year average of 92.6 per year.

Recommendation

1. Research, evaluate and consider the causal factors impacting the decline in the accident enforcement index. Part of the consideration should include the reduction in manpower with particular focus on the "Traffic Unit".
2. Initiate strategies to reverse the AEI downturn.

Reported Part I Index Crimes

Table 2, Reported Part I Index crimes 2008 – 2012, follows and summarizes the number of serious crimes reported to the ETPD during this five (5) year period ending In December, 2012. Index crimes are commonly used to portray the level and nature of crime in a jurisdiction. Part I crimes include the offenses of homicide, rape, robbery, aggravated assault, burglary, larceny,

motor vehicle theft, and arson. There were two homicides reported, one each in 2009 and 2011, during the period of time reviewed.

**TABLE 2
EXETER TOWNSHIP POLICE DEPARTMENT
REPORTED PART I INDEX CRIMES
2008-2012**

Year	Murder	Rape	Robbery	Assault	Burglary	Larceny Theft	Motor Vehicle Theft	Arson	Total
2012	0	3	5	11	42	357	11	3	432
2011	1	0	6	6	44	334	10	2	403
2010	0	5	7	7	37	307	14	1	378
2009	1	3	5	10	60	362	23	11	475
2008	0	1	5	10	64	430	27	5	542
TOTAL	2	12	28	44	247	1790	85	22	2230

Source: Pennsylvania Uniform Crime Reporting System

*A table showing, Berks County statistics was not provided due to the sheer volume of information

Findings:

1. Exeter's Index crimes decreased by 67 from 2008 to 2009, decreased by 97 in 2010, and then increased by 25 in 2011, then by 29 from 2011 to 2012. Overall, index crimes **decreased** 110 or 20.3% compared to five (5) years earlier.
2. During that same time period, index crimes across the entire county increased by 48 from 5,425 in 2008 to 5,473 in 2009; decreased by 779 to 4,694 in 2010, then decreased by 72 to 4,766 in 2011. Index crimes increased by 234 during the 2011 to 2012 time period. Overall, index crimes **decreased** 425 or 7.83% compared to five (5) years earlier.
3. In ETPD jurisdiction, the greatest number of Part I crimes (542), were reported in 2008. Berks County also experienced the greatest number of Part I crimes (5,425) in 2008.
4. Larceny-Theft was the crime category most frequently reported in ETPD and Berks County. Burglaries and Motor Vehicle Theft followed as the number two (2) and three (3) crime categories in the Township and across the entire County.
5. ETPD's five (5) year average clearance rate was 36.72%. The County average was 34.1%.

Crime Rate

A review was conducted of the reported crime in the Exeter Township Police Jurisdiction over the past five (5) years from 2008 through 2012 as reported in the Uniform Crime Report, compiled by the Pennsylvania State Police, Bureau of Research and Development.

The same review, for the same time period, was conducted for the entire Berks County for comparison purposes. This allows Exeter Township to better understand the Crime Trends in their jurisdiction in comparison to all the reporting municipalities across the County. It should be noted that the ETPD statistics are included in the Berks County statistics.

Crime Rate information follows and provides a formula to indicate a municipalities' crime rate in numerical terms. The rate is determined by dividing 100,000 by a municipalities population, times the Part I reported Crimes as follows:

**TABLE 3
CRIME RATE COMPARISONS
2008-2012**

MUNICIPALITY	POPULATION CALCULATION	PART 1 CRIMES	CRIME RATE	YEAR	CLEARANCE RATE
ETPD	100,000 / 25,550 = 3.91	x 432	1,689.12	2012	36.57%
		x 403	1,575.73	2011	34.24%
		x 378	1,477.98	2010	39.15%
		x 475	1,857.25	2009	27.15%
		x 542	2,119.22	2008	20.79%
Berks County	411,442 = 0.24	x 5,000	1,200.00	2012	34.06%
		x 4,766	1,143.84	2011	32.62%
		x 4,694	1,126.56	2010	31.85%
		x 5,473	1,313.52	2009	25.43%
		x 5,425	1,302.00	2008	27.65%

Source: Pennsylvania Uniform Crime Reporting System

Finding:

1. The data suggests that ETPD, over a five (5) year period from 2008 to 2012, has experienced a **decrease of 430.10 or 20.30%** in the crime rate, down from 2,119.22 in 2008 to 1,689.12 in 2012.
2. Berks County over the same time period has also experienced a **decrease of 102 or 7.83%** in the crime rate, down from 1,302 in 2008 to 1,200 in 2012.
3. Exeter Township's Crime Rate is greater than the County average.

Evaluation:

From the data examined, Exeter Township Police Department appears to be doing outstanding work deterring, investigating and clearing crime in their jurisdiction. Part 1 crime is decreasing at a greater rate in Exeter Township than the rate of decrease across the County.

Conviction Rate

Another measure of effectiveness can be gleaned from a department's "conviction rate". A conviction is the successful prosecution of an offender arrested, charged and prosecuted for committing a crime.

Evaluation:

Exeter Township Police Department does not specifically track conviction rate information regarding the disposition of offenders charged with committing crimes within their jurisdiction. The ETPD

"Monthly Activity Report" does include information on the number of crimes occurring but not being investigated or prosecuted in the Township. Therefore, for the purposes of this report, it was not possible to determine "conviction rate" data.

Recommendation:

1. Collect, compile and analyze conviction data on criminal prosecutions.
2. Include statistical information on crimes being investigated (followed up by Detectives) on the monthly and annual reports.

Reported Part II Index Crime

Table 4, Reported Part II Index Crimes 2008-2012. It summarizes the less serious crimes than the Part I index crimes reported by the Exeter Township Police Department during the five (5) year, time period from 2008 through 2012.

**TABLE 4
EXETER TOWNSHIP POLICE DEPARTMENT
REPORTED PART II INDEX CRIMES
2008-2012**

Crime	2008	2009	2010	2011	2012	TOTAL
Other Assault	52	52	50	48	36	238
Forgery	14	16	10	11	10	61
Fraud	81	72	68	64	75	360
Embezzlement	0	0	0	0	0	0
Stolen Property	17	15	7	4	4	47
Vandalism	245	200	196	107	142	890
Weapons	3	4	0	0	4	11
Prostitution	0	1	0	0	0	1
Sex Offenses	11	15	6	7	4	43
Narcotics	62	63	55	35	54	269
Gambling	0	0	0	0	0	0
Family Offenses	4	1	0	0	3	8
DUI	133	124	116	99	124	596
Liquor Laws	20	64	36	18	15	153
Drunkenness	53	41	37	17	25	173
Disorderly Conduct	86	109	81	60	104	440
Vagrancy	0	0	0	0	0	0
All Others	284	222	163	118	161	948
TOTAL	1,065	999	825	588	761	4,238

Source: Uniform Crime Report, Compiled By the Pennsylvania State Police, Bureau of Research and Development.

Findings:

1. Part II crimes decreased by 304 or 28.54% in ETPD, down from 1,065 in 2008 to 761 in 2012.
2. During the same time period, Berks County Part II crimes decreased 1,097 or 10.12%, down from 10,838 in 2008 to 9,741 in 2012.
3. During the five (5) year time period, Vandalism 890, Driving Under the Influence 596, Disorderly Conduct 440, and Fraud 360 and were the top four (4) Part II crimes reported in the Exeter Township Police Department.
4. During the same time period, Vandalism 10,251, Other Assault 6,940, Disorderly Conduct 6,562 and Driving Under the Influence 3,622 were the top four (4) Part II crimes reported across the entire County. Again take note that the County statistics include Part II crimes reported by the ETPD.

5. ETPD five (5) year (2008 – 2012) Part II clearance rate was 4.08% less, 65.34% compared to the Berks County average of 69.42%.

It is also noteworthy to consider that Exeter Township is experiencing a **greater** (30.42%) **decrease** in reported crime than the Counties (10.12%) reported decrease. The most frequently occurring crimes, county wide, are identical during this five (5) year period. The uniform crime reports indicate that Disorderly Conduct, Vandalism, and Driving Under the Influence are among the most frequently reported crimes.

Total Crime Statistics Notes:

1. There were 6,468 total crimes (2,230 Part I and 4,238 Part II) reported to the Exeter Township Police Department during the study period (2008 through 2012).
2. Serious crimes totaled 2230 or 34.48% of the total (2230 of 6,468).
3. Less serious crimes totaled 4,238 or 65.52% of the total (4,238 of 6,468).
4. The most frequent serious crime reported during the study period was seventeen hundred ninety (1,790) Larceny/Thefts.
5. Larceny Theft accounted for 80.27% (1,790) divided by 2,230= 80.27%) of the serious crime in the Township.
6. In comparison, for that same period of time across Berks County, Larceny Theft accounted for 51.16% (15,050 divided by 29,415 = 51.16%).

III: MANAGEMENT, TECHNICAL AND SUPPORT SERVICES

Management is the process of organizing and using personnel and material resources to accomplish objectives. The management process comprises a comprehensive and diverse array of functions. Among the most essential are setting organizational objectives; organizing programs to achieve objectives; assembling staff and other resources required to conduct programs; establishing policies and procedures to govern programs; directing programs through written directives, internal communications and supervision; and controlling programs to ensure compliance with policies and procedures.

The Chief of the Exeter Township Police Department bears ultimate responsibility for achieving objectives and for the effectiveness of the management process. Because the Chief cannot be omnipresent nor conduct the management process by himself, responsibility must be delegated to division and section commanders and supervisors. To manage the Department effectively, the Chief and his delegates must have the support of a number of executive or administrative services, principally research and planning, legal counsel, public information and fiscal management.

ORGANIZATIONAL OBJECTIVES

Objectives are ultimate ends that police agencies strive to achieve. Although objectives are not immutable, they do not change substantially over time. The Police function has long been characterized by crime prevention, apprehension of offenders, clearance of crimes, recovery of property, locating missing persons, and protecting constitutional guarantees. In both theory and practice, objectives are often referred to as goals. They are also referred to as outcomes. Although there are technical distinctions, these terms are used synonymously in this report.

Objectives, by definition, are prerequisite to managing by objectives. Their existence allows all management functions to be directed toward their achievement. Objectives should exist for a Department as a whole and for each division, section and unit within it. Logical relationships must exist between and among levels of objectives. Division objectives, for example, should connect, integrate and in some instances be identical with objectives of a Department. Objectives must be stated with sufficient precision to yield to valid measurement. Agencies must measure the degree to which objectives are achieved, which is effectiveness, and the cost incurred to achieve objectives, which is productivity.

Most agencies prepare objectives, mainly to satisfy municipal-level budgeting requirements. Agencies normally assign the development task to a budget or planning unit and require only perfunctory involvement of operating personnel. Few agencies exploit the management, evaluation and performance measurement potential of objectives. This defeats the entire purpose of efforts that are made.

Current Conditions in the Exeter Township Police Department

There is nothing written in this area.

Evaluation

None.

Recommendations

To strengthen its system of organizational objectives, the Department should consider the following actions:

1. Develop a structure of organizational objectives.

The structure must include objectives for the Department and for each unit. The objectives must specify the ultimate outcomes that the Department and the sub-divisional organizational units wish to achieve. The objectives must be measurable.

2. Develop one or more measures of achievement for each objective in the structure.

Effectiveness measures are most important. Productivity, efficiency and workload measures are also important since they have many additional valuable managerial uses.

Responsibility for developing and implementing the system of objectives and measures should be assigned to the Department's command staff (Chief and Lieutenant as a unit). Key Senior Officers should participate heavily in the developmental process also.

3. Require that the objectives and measures be used for planning, decision making and performance evaluation at all organizational levels.
4. Department command staff should be trained to use the objectives and measures for the foregoing management process.

A. INTERNAL COMMUNICATIONS

A variety of techniques should be used, in addition to written directives, to communicate intended objectives, policies and procedures to Department personnel. Those found to be effective, when properly designed and administered, are staff meetings, distribution of staff meeting summaries and/or similar in-house communications media; roll-call discussions; work site and field visits by the Chief of Police and other departmental executives; major events, such as awards presentations, which rank-and-file employees are expected to attend; and frequent interaction, both formal and informal, between police executives and benevolent, Fraternal Order of Police or union association representatives. While these communication mechanisms are designed to help Department Commanders and Supervisors communicate and direct downward, a number of them provide a simultaneous opportunity for rank-and-file officers and employees to communicate upwards – to ask questions, make comments and generally express feelings and concerns. A Department should take every opportunity to use these situations and mechanisms to improve upward communications.

As a medium for directing departmental operations, the importance and potential of staff meetings cannot be overemphasized. Staff meetings provide face-to-face opportunities for managers to communicate intent and explain rationales. In addition, the meetings transmit facts, and provide opportunities for staff to comment on operations and their effectiveness. They also provide opportunity to discuss and resolve specific problems and policy proposals and to express ideas that can contribute to the progress of an agency. Contributing tends to promote satisfaction and a sense of accomplishment among staff. Through participation, subordinates tend to identify with organizational objectives and endorse management plans.

In most departments, only senior officers attend or have staff meetings. This should not nor need not be the case. Staff meetings should be held at all levels of a police agency. Staff meetings should follow regular schedules and prepared agendas. Written minutes should be kept. Minutes of previous meetings should be reviewed as a matter of regular business. This ensures automatic review of previously discussed matters and provides the basics for determining whether controlling actions have been taken between meetings.

Stable departments require fewer meetings than those undergoing reorganization, rapid growth or other forms of transition. Frequent meetings are desirable when new systems or programs are being planned or introduced. Departments should modify standard schedules of meetings as conditions warrant, either increasing or decreasing the number. It is preferable to err on the high side when determining frequency of meetings, since redundant communication is preferable to under-communication. At the same time, care must be taken to avoid scheduling meetings so frequently that participants lose valuable time unnecessarily.

Current Conditions in Exeter Township Police Department

The Chief does have regularly scheduled monthly staff meetings and does visit the Department on evening or night shifts. There appears to be standing committees, such as accreditation and drug investigations, that enable management and non-management personnel to work together on any issue regardless of the importance of the issue. The exception is the officers of the labor organization that meet with Township Officials on contractual matters. Unfortunately, this tends to be oriented more toward adversarial relationships than it does toward harmonious relationships. More will follow regarding collective bargaining on page 60, Current Conditions in Exeter Township Police Department.

Evaluation

The Department does utilize some but not all of the internal communications mechanisms available. Limited use of internal communications can deteriorate the forums of up-and-down communications, but to this point has not done so.

Recommendations

1. Select and assign rank-and-file members to committees to work on matters of mutual concern of labor and management.
2. Continue regular work site visits by the Chief of Police with special attention on positive dialogue, in addition to inspectional/critical observations of rules and conduct.

B. SUPERVISION

First-line supervisors are critical links in the direction process. Being closest to those who actually administer most police services and who are directly responsible for their performance, it is the first-line supervisors who must ensure on a day-to-day basis that objectives are being met and that policies and procedures are being carried out as intended. To do so, supervisors must be thoroughly conversant with Departmental objectives, policies and procedures that pertain to their areas of supervision and with the jobs to be performed by those supervised. They must monitor and evaluate the performance of personnel and must correct and teach when personnel do not perform as required. The most influential supervisor in a police agency is the patrol supervisor, usually a field sergeant. The patrol supervisor normally has more personnel to manage than other supervisors. He or she controls effectively, or ineffectively, the actions of those police employees who are most often and most directly involved in the delivery of police services.

To produce supervisors who can direct effectively, a Police Department must take a series of deliberate actions. It must administer promotional examinations and employ selection procedures that validly and accurately measure supervisory skills and potential. The procedures include the following: provide extensive training to those appointed to supervisory positions; make clear that supervisors are part of the management structure and will be held accountable for exercising the authority granted to them; use formal, structured, evaluation methods to measure and assess supervisory performance; give supervisors the tools they need to systematically diagnose and evaluate the performance and needs of their subordinates; correct inadequate performance (this should be accomplished, also, through a formal, structured system of performance evaluation); and supervisors must be provided time to evaluate subordinates and correct deficiencies through training. When supervisors must spend

most or all of a shift on emergencies, other duties, effective direction, evaluation and training cannot occur. For supervisors to train effectively, officers must have sufficient free time to be trained.

Current Conditions in Exeter Township Police Department

There are five (5) supervisory positions in the Department. As mentioned earlier, there is a Detective Sergeant and four (4) Patrol Sergeants. Currently, the Department is without a Lieutenant and one Patrol Sergeant is off due to disability. The Sergeants complete their specific duties along with additional tasks previously handled by the Lieutenant's position. The Lieutenant's job description lists approximately thirty-eight (38) duties related to Fiscal Management, Personnel Management, Planning and Research, Records, Chain of Command and General Administrative Responsibilities that are being handled by the Sergeants and the Chief of Police. The Sergeant's job description requires many additional duties as enumerated on pages 12 through 14 of this report.

Evaluation

Field supervision as well as supervision within the entire Department is one of the strong aspects of the Department's management process. This is due, in part, because the Department's size allows for an esprit de corps due to the closeness of all Department members. Further, all the deliberate actions prescribed by professional standards is more applicable to larger agencies. That being stated, it should not be misunderstood that the "supervisory" Sergeants are providing "command" duties that should be handled by a Lieutenant.

The Chief subscribes to journals and publications such as but not limited to, Americans for Effective Law Enforcement, The Effective Executive, Labor Contract Law Bulletin, The Chief's Bulletin, etc. These publications are made available and are required reading for the Sergeants.

Recommendations

1. Fill the vacant Lieutenant position.
2. Develop and introduce a performance evaluation system for the Lieutenant and Sergeant positions.
3. Become familiar with and practice the "Principles of Quality Leadership":
 - Believe in, foster and support TEAMWORK.
 - Be committed to the PROBLEM-SOLVING process; use it and let DATA, not emotions, drive decisions.
 - Seek employees' INPUT before making key decisions.
 - Believe that the best way to improve the quality of work or service is to ASK and LISTEN to employees who are doing the work.
 - Strive to develop mutual RESPECT and TRUST among employees.
 - Have a CUSTOMER orientation with focus toward employees and citizens.

- Manage on the BEHAVIOR of 95 percent of employees and not on the 5 percent who cause problems. Deal with the 5 percent.
- Improve SYSTEMS and examine PROCESSES before placing blame on people.
- Avoid “top-down” POWER ORIENTED decision making when possible.
- Encourage CREATIVITY through RISK TAKING, and be TOLERANT of honest MISTAKES.
- Be a FACILITATOR and COACH. Develop an OPEN atmosphere that encourages providing and accepting FEEDBACK.
- With TEAMWORK, develop with employees the agreed upon GOALS and a PLAN to achieve them.

C. MANAGEMENT CONTROLS

Results are not achieved only by issuing orders, or by directing an objective to be achieved, a plan implemented, or a task undertaken. To achieve a desired end, management must do more than direct. It must control. Control is the process of ensuring that policies, procedures and operations correspond to the intent and directives of management. Control is part of a larger four-step process. Determining what results or objectives are to be achieved and selecting policies, procedures, and operations to achieve them is the first step. Issuing directions designed to produce the desired results is the second step. Monitoring the operations to identify undesirable deviations is the third step. If operations are proceeding as planned and monitoring does not disclose deviations there is no need for action. If the monitoring discloses deviations or side effects, then action must be taken. Correcting the deviation, or undertaking some other course of action designed to promote success, is the fourth step. These last two steps are the elements of control. Line inspections, staff inspections and internal affairs reviews are three (3) forms of management controls that should be administered in every police department.

The inspections process is designed to observe, evaluate and record flaws in the application of sanctioned policies and procedures and in use of human and material resources to accomplish the Departmental mission. Line and staff are two types of inspections in the police service. Line inspections should be performed by supervisors in the regular course of activities. Though line inspections are commonly associated with patrol, line inspections should be conducted by supervisors at all levels in all units. The appearance of subordinates; the condition of equipment, the completeness of the orders manual and officer demeanor with the public, typify the focus of line inspections. Written reports should be produced by line inspectors in the instances of major or continuing problems and when training or some other remedy is in order which must be approved at executive levels.

Staff inspections are essentially “independent audits.” They should be performed by members of a special unit, in the name of the Chief of Police. Staff inspections should focus on the degree to which established policies and procedures have been implemented properly, the degree to which orders are being carried out and upon the proper or improper use of personnel and material resources. Organizational units should be inspected bi-annually, at a minimum. Written reports of findings and recommendations should be prepared for the Chief of Police subsequent to every inspection. He should share reports with executive staff and the commanders of units that are to be inspected, except in cases of extreme sensitivity and where confidentiality is required. Unit supervisors should be required to evaluate and comment on reports, especially when findings are negative and/or recommendations seem questionable. Timetables should be established for corrective actions in all situations where such actions are preferred.

There is a common feeling among police administrators that close proximity to subordinates reduces or eliminates the need for continuing the inspection process. This belief is especially prevalent in small agencies, but is without basis. Police administrators should hold all supervisors responsible for line inspections. The Chief of Police should also assign responsibility for staff inspections to a command individual who has a comprehensive understanding of the Department as well as the Department's policies and procedures. Members of a Department should view inspections as a normal and desirable administrative activity. They should be completely informed about reasons for inspections, the nature of inspectional procedures to be used, and the consequences which will follow when deficiencies are noted and reported. Covert inspections should be conducted only when a probability exists that very serious conditions detrimental to the best interests of a Department are present. Even then, covert inspections should be conducted only under the immediate direction of the Chief of Police. Although covert inspections usually unearth a greater number of defects than open inspections, they also engender serious morale problems when used routinely. Covert inspections should be resorted to only when it is absolutely necessary to protect the Department from grave public embarrassment. For the most part, open inspections, known and anticipated by the employees, will produce desired remedial results.

Current Conditions in the Exeter Township Police Department

The Department does not have a formal, comprehensive, agency wide inspections program. The patrol section does limited inspections (inspecting vehicles for damage and operating condition). The inspections program utilized for the most part is an informal one of dealing with issues as they may become apparent from time to time.

Evaluation

Formal Line and Staff inspections are nonexistent. Accordingly, the Department fails to comply with professional standards in this area. Absence of line and staff inspections is mainly attributable to the common and mistaken perception that small agencies do not require the formal, structured inspections program necessary in larger departments. Every agency, regardless of size, must have organized, systematically administered management controls.

Recommendations

To strengthen the inspections process, the Department should consider the following actions:

1. Formally establish a line and staff inspections program. Line inspections could be the responsibility of all unit officers in charge. Responsibility for staff inspections could be assigned to the Lieutenant /Sergeant who reports directly to the Chief.
2. Prepare a written directive to govern line and staff inspections. The directive should cover objectives, procedures, criteria to identify those inspections which require a written report, follow-up procedures to ensure corrective action is taken and provision for inspection of every organizational component at least every other year.
3. Arrange for the Chief and the Lieutenant/Sergeant to attend a workshop on the inspections function.

D. INTERNAL AFFAIRS

A Police Department cannot be successful for very long without public belief in its integrity. Integrity is demonstrated and protected through a strong, fair and responsive Internal Affairs process. This gives notice to both the community and members of the Department that an agency is willing to “police its own.” It is Management’s way of demonstrating that Officers and civilian employees will be held accountable for complying with sanctioned forms of behavior and punished for violating them.

A Police Department should have a central Internal Affairs Unit or Officer. The Unit or Officer reports directly to the Chief of Police, when practical. Principal functions of the Unit or Officer should be to receive, record, process, investigate and control complaints against employees. Adequate resources must be devoted to the Internal Affairs function. Internal Affairs must have a positive emphasis. Management should view Internal Affairs as a proactive tool to achieve positive results. Police Officers, normally skeptical about Internal Affairs procedures, usually respond in a highly professional manner to an affirmative process as long as the rules are clear, fair and applied consistently. Too often, the function is managed in a way that reduces morale and motivation and strains community relations. In many agencies it is mysterious and burdensome, appearing deliberately designed to discourage complaints. Citizens have also traditionally been suspicious of the Internal Affairs process. When an informal public believes that its Police Department will investigate all allegations of misconduct against its members honestly and fairly, it will be less likely to become prematurely indignant or seek redress elsewhere.

A Police Department should have a simple and efficient system for receiving and processing complaints. Once a complaint has been received, from either inside or outside the agency, it must be investigated thoroughly and impartially and in a timely manner. Anonymous complaints should be handled in the same manner as any other. Frivolous allegations should be screened out during the preliminary investigation. Minor complaints should be referred to an employee’s supervisor. Serious allegations should be handled by the Internal Affairs Unit. Internal Affairs should maintain staff control over all investigations, even when complaints have been referred. The Department must take positive steps to be sure that the public understands how the Internal Affairs process works. Citizens should be notified when complaints are being investigated and advised of the outcome. The investigative phase is the most critical part of the Internal Affairs process. Both the public and the employee must be satisfied that the investigation is thorough and fair. An Officer should be advised promptly when a complaint of misconduct is received, except in those cases where it would jeopardize the investigation. A Department must have a procedure for temporarily relieving employees from duty when charges dictate such action. This form of supervision is to be distinguished from one imposed as punishment following a final determination of misconduct. Neither Officers nor civilian employees have a constitutional right to counsel during an internal investigation, although Departmental policy or labor contracts often establish the privilege. Officers can be ordered to answer questions and submit to a polygraph test. When criminal prosecution is contemplated, Miranda guidelines apply. A search warrant or voluntary agreement is required to search an Officer’s home or personal vehicle. Search of a locker or Department office requires neither.

When an internal investigation sustains an allegation of misconduct, formal charges should be filed. Filing officially notifies Officers that they are being charged with violations of Departmental rules, explains the nature of the charges and advises what procedural steps can be taken to answer them. Police misconduct may constitute violation of both criminal law and Departmental policy. In most jurisdictions, criminal and administrative procedures are entirely separate and

distinct. An acquittal on criminal charges does not prevent a Department from taking disciplinary action against an Officer based on the same conduct. The laws of most states, as well as federal due process standards, require that an Officer be allowed a hearing on disciplinary charges at some point before discipline becomes final. A court reviewing an appeal of a Department's disciplinary action will only examine a written record. Generally, new evidence will not be considered by a court. As a result, although adherence to strict rules of evidence is not required in an administrative hearing, a verbatim record should be kept with the hearing board clearly stating the evidence on which its decision is based. As with any important administrative decision, a Chief is well advised to consult with various levels of his staff before imposing penalties.

Internal Affairs policies and procedures and the functioning of the Internal Affairs Unit or Officer should be formalized in a written directive.

Current Conditions in the Exeter Township Police Department

Responsibility for Internal Affairs remains vested with the office of the Chief of Police. The Detective Sergeant assists the Chief on an as needed basis. The Department has policy covering the Internal Affairs process, along with training on conducting such investigations.

Evaluation

The Department does have written policy on the Internal Affairs Process and appears to be in compliance with professional personnel management practices.

Recommendations

To strengthen the Internal Affairs function, the Department should consider the following action:

1. Publish a summary of the number, type and disposition of complaints against officers in the Departments' annual report.

E. PLANNING

Planning is the process of developing and selecting the best possible course of action to meet a police need or achieve a police objective. It is a basis for rational, effective police decision-making, management and operations. Without planning, the objectives of police agencies will not be achieved effectively. Lack of formal planning, particularly long-range planning, is one of the most critical deficiencies in police management today. Many Police Chiefs attempt to manage their Departments without adequate planning.

A Police Department should have a full-time planning unit. Small agencies should have at least a part-time planning officer. Planning units and officers should have Department-wide staff supervision over all planning activities. They should:

- Evaluate and recommend improvements to existing programs, systems, procedures and methods.
- Prepare crime projections and complete allocation studies.

- Conduct long-range planning and research to design new systems and develop new policies, procedures and methods.
- Work with Borough management to plan and coordinate long-range fiscal needs.
- Conduct demographic studies and research to match future police service in developing community requirements.
- Develop plans for responding to natural or technological disasters and civil disorders.
- They should also subject each existing procedure and operation to a test of efficiency. This is accomplished by applying the following questions:
 1. What is accomplished by the procedure or operation?
 2. Would the Department's overall operation be materially impaired if the process or procedure were eliminated entirely?
 3. Can the process or procedure be accomplished more efficiently or effectively by some other person or unit?
 4. Has another agency found a better way of performing this process or operation?
 5. If the procedure or operation is continued unmodified, is the result worth the cost?

Systematic analysis of existing procedures is a valuable technique for maintaining Departmental efficiency and effectiveness. The investment of time in the procedure usually produces substantial savings in police manpower and money and results in better service to the public.

Variation in the foregoing list of responsibilities, additions or deletions, will be dictated by local conditions.

A planning unit should be staffed by persons who collectively combine all of the knowledge and skills required to effectively conduct the contemporary police planning function: Police science; principles of organization and management; principles and techniques of planning; research methods; information collection, handling, and processing; long-range planning; budgeting; performance measurement; governmental operations and law enforcement technology. A staff must maintain up-to-date knowledge of emerging Criminal Justice research and development of current and emerging issues and problems. A planning officer must have many of these skills and the resources to acquire the remainder when necessary.

A unit may be composed of either civilian or sworn personnel. A blend usually works well. The director of a planning unit may be either sworn or civilian. He or she must, however, be a skilled manager and be knowledgeable in at least several of the disciplines mentioned above. A planning unit should report directly to the Police Chief.

Planning and research units should produce completed staff work. Completed staff work involves study of a problem, examination and presentation of alternative solutions and presentation of the best solution in such form that the Chief of Police only need review and approve or disapprove the proposed plan of action. The principal idea of the concept is to avoid presenting an incomplete plan which would unnecessarily consume the valuable time of the Chief and the command staff.

The responsibilities of a Planning Unit should be formalized in a written directive.

Current Conditions in the Exeter Township Police Department

A five (5) year Budget Planning Assignment is being conducted by the Chief of Police and Detective Sergeant. Otherwise, there is little formal planning being conducted. Informally, planning occurs on an ad hoc basis. There is no written policy.

Evaluation

None.

Recommendations

To strengthen the planning function, the department should consider the following actions:

1. Affix responsibility for the planning function in the job description of the Lieutenant to the Detective Sergeant if the lieutenant position remains vacant.

It should be understood that as more staff type responsibilities are affixed to positions, less field (patrol/investigative) type responsibilities can be performed.

2. Develop written directives on the planning and research function.
3. Prepare an agenda or inventory of planning and research needs. Special care must be taken to ensure that long-range needs are given due consideration.
4. Prioritize items on the agenda. This should be a joint effort of the Chief, Lieutenant, Sergeant, and support staff.
5. Formally adopt the inventory and the priorities on the work plan for the planning function.

IV: PERSONNEL AND TRAINING

The quality of the service provided by a Police Department depends directly upon the quality of the personnel employed. The current quality and level of service provided by the Exeter Township Police Department rests largely with the competence and capabilities of the personnel presently employed. Future achievements and effectiveness will depend on the competence and capabilities of the men and women now being hired, those remaining in the Department and those hired in the future.

The Personnel Administrator for a police agency has complex and demanding functional responsibilities. Personnel administrators must be sensitive to validity issues in selection and promotion, affirmative action requirements, collective bargaining procedures and potential challenges to the Township's selection, promotion or retirement systems. These concerns cause many personnel administrators to approach their work defensively and in so doing, lose sight of the overall goal of molding a quality workforce well suited to careers in police service.

To guarantee that the workforce is of the highest professional quality, an agency must have a comprehensive personnel program. It must maximize the effectiveness of its recruiting, selection, promotional and performance evaluation practices. Of utmost importance, it must be competitive in the labor market. Once quality personnel are employed, their abilities must be developed to their maximum potential through career-long education and training.

Current conditions in the Exeter Township Police Department

The primary responsibility for personnel matters for the Department, including recruiting, selection, and personnel records rests with the Chief of Police. When requested, the Chief assists the Manager and Township Supervisors with hiring, promotions, salary and related issues.

Disciplinary procedures are ultimately the responsibility of the Chief of Police. The Internal Affairs Function was discussed earlier in this report.

Job descriptions are not entirely indicative of the job duties being conducted by sworn and non-sworn employees. Job descriptions do include the “essential and non-essential functions” associated with the positions.

The Department does not have a formal career development program. It does not have a performance evaluation system. The Chief of Police performs employee personnel actions; however, the records are maintained by/in the Township in a vault. This practice appears to have been accepted without issue.

Evaluation

The Department has not fashioned a strong personnel program and is not in compliance with established professional standards.

Recommendations

To strengthen the organization of the personnel function, the Department should consider the following actions:

1. Prepare a written directive that clarifies and documents the responsibilities, authority and pertinent personnel practices assigned to the Department and the Chief of Police.
2. Move the personnel records maintenance and responsibility from the Township to the Office of the Chief of Police.
3. Evaluate, prepare and introduce a “Performance Evaluation System” for all Police Department members/positions, both sworn and civilian alike.
4. Design a career development program. Due to the size of the Department, the traditional promotional opportunities are less than adequate to satisfy Department officers.

A. PROMOTION

Leadership qualities, intelligence, mastery of law enforcement procedures and supervisory or management skills are requisites for promotion to positions of higher responsibility. It is especially important that these characteristics be present in those promoted to the rank of Sergeant since they form the group from which future command officers and administrators will be selected.

All aspects of the promotion process must be based on a detailed analysis of positions into which personnel will be promoted. To observe this principle, written job analyses must exist. Written notices that describe qualifications testing procedures to be employed and other essential data needed by potential applicants should be posted prominently, well in advance of the closing date for applications. Three (3) years in grade as a Police Officer should be required for promotion to Sergeant and at least one (1) year in grade should be required for promotion to ranks above Sergeant. Recommended times in grade are considered a good compromise between limiting promotional opportunities to personnel with sufficient experience for advancement and creating a broad competitive base.

Testing should include a written examination, an oral examination and a medical examination for those who pass the written and oral examination. Performance evaluation also should be used to determine eligibility. Study materials should either be identified for applicants or be provided to them. The promotional process, in its entirety and in each of its elements, must meet requirements of validity and utility and minimize adverse impact. If assessment centers are used to examine candidates for promotion, a team of assessors should be used, a battery of assessment techniques should be employed, and the appraisals of assessors should be pooled to form recommendations on and to rank candidates. Candidates should be ranked on eligibility lists in order of total scores of the various elements of the testing process.

The "rule of three" should be followed. A Chief of Police should be able to recommend (to the Board of Supervisors, Council members, or Commissioners) individuals for promotion from among the first three (3) qualified or presented to an examining board. This gives a Chief some latitude in the actual promotion of successful candidates. It is unfair to hold the Chief responsible for the performance of the Agency, while at the same time withholding from the Chief some discretionary power in the appointment of supervisory and command personnel from among qualified applicants. The "rule of three" recognizes imperfections inherent in any examination process and provides the Chief an opportunity to exercise professional judgment in selecting staff. At the same time, however, the rule limits the Chief's discretion to acceptable bounds. To exploit the value of "rule of three", the Chief of Police should have or be able to obtain knowledge about the capabilities of individuals, the demands of the position to be filled, and the personal attributes necessary for successful performance on the job.

The performance of new Supervisors, normally new Sergeants, should be evaluated every three (3) months during a one-year probationary period. Findings should be discussed with them. Probationers should be counseled by their supervisors and corrective measures taken to assist those who fall short of expectations. The probationer should be given permanent status only after successful completion of the probationary period and after certification by the Chief of Police. Those probationers who cannot adjust to the responsibilities of higher rank should be returned to their previous grade, without prejudice.

Mitchell P. Weinzetl, Chief of Police, Buffalo, Minnesota, Police Department discussed the concept of succession planning in the Police Chief Magazine, November, 2012, page 46. Succession planning is a process through which many organizations – public and private – prepare for the eventual departure of key leaders. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.”

Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be “mentored.” Staff should be empowered to make key decisions within an agency.

Current Conditions in the Exeter Township Police Department

The Department has a written policy and procedure on the promotional process. I. O. Solutions Inc., West Chester, Illinois is utilized for this purpose. The process was last utilized in 2009 when a Sergeant retired and the position was filled. The Department provides any newly promoted Lieutenant and/or Sergeant first line supervisory training at the first opportunity, but within the first year after promotion. Penn State POSIT and POLEX are excellent training opportunities that have been utilized.

Evaluation

None.

Recommendations

1. Prepare a probationary performance evaluation system for Lieutenant and Sergeant positions and reduce the process to a written directive.
2. The promotional system should allow the Chief of Police input after the “rule of three” or similar system has been established.
3. Adopt and practice succession planning as discussed above.

B. PERFORMANCE EVALUATION

Performance evaluation is the measurement and analysis of on-the-job performance of police employees. It focuses on the manner and effectiveness by which prescribed duties are carried out. Performance evaluation serves valuable purposes to administrators, supervisors and employees. Performance evaluations provide information to enable officers to maintain acceptable performance and correct unacceptable performance; reveal training needs individual and collective; provide the basis for decisions including assignment, promotion, discipline and termination; and provide a medium for supervisor-subordinate discussion and counseling. Performance evaluations promote job satisfaction for officers who are performing well and provide incentive to improve for those who are not performing well.

Every police agency should have a formal performance evaluation system. Each officer in the agency should be evaluated, at least annually, preferably semi-annually. Probationary

employees should be evaluated at least bi-monthly, preferably monthly. The entire evaluation process must meet standards of validity. The evaluation period must be specified on evaluation instruments or otherwise recorded. Evaluations are to be done by the immediate supervisor or supervisors of the employee being rated and reviewed by the supervisor or the rater/raters. The work of all raters should be evaluated for quality and consistency.

Employees must have the opportunity to review evaluations and should be required to sign evaluations to validate that they have been read. A signature should neither state nor imply agreement or disagreement with an evaluation. Raters and employees should discuss the contents of evaluations, even positive evaluations. Unsatisfactory ratings must be explained both orally and in writing. Employees should have the right to contest ratings and seek formal review. A copy of each evaluation should be provided to the employee. The operation of the performance evaluation system should be evaluated annually.

Current Conditions in the Exeter Township Police Department

The Department does not utilize a Performance Evaluation System.

Evaluation

The Department's non use of the performance evaluation system does not comply with recommended standards in this area of professional personnel management.

Recommendations

With respect to performance evaluation, the Department should consider developing specific, identifiable criteria to better quantify and identify acceptable and unacceptable performance and then take the following actions:

1. Research, develop and utilize a probationary sworn officer, supervisor and command evaluation system.
2. Research, develop and utilize the sworn officer, supervisor and command performance evaluation system.
3. Research, develop and utilize a non-sworn member performance evaluation system.

C. EDUCATION AND TRAINING

It is the unanimous opinion of professional police administrators, civic officials and informed laymen that improvements in the police service will parallel advancements in the level and quality of the education and training of the police officer. Education tends to "round" a police officer, to provide broader understanding of the social problems with which he or she comes in contact and to judge alternative resolutions to a problem or situation more insightfully. It enables officers to cope more effectively with citizens and makes them more receptive to social and organizational change, and new ideas and concepts. Training improves the ability of police officers to make correct decisions and take appropriate action at the right time. It prepares officers to act decisively and correctly, makes them more productive, and instills a personal sense of competence and worth. The trained police officer can function better if well educated. An educated person cannot function effectively as a police officer until well trained. Obviously, both education and training are needed for contemporary police work. While a Department

should approach education and training positively and emphasize their contributions to police service, it is no longer possible to ignore the value of strong programs of education and particularly, training as essential defenses in “failure to train” liability situations.

For decades it has been recommended that a police agency should establish college education, preferably a degree as a minimum entrance requirement for employment. The national educational level of police officers has increased to 13.5 years as noted in a recently published report. Working officers without degrees should be required to earn them. An agency should strive to have a uniformed force composed entirely of officers with degrees. To encourage basic and continuing education, an agency should have an incentive pay program that awards pay increments for credits earned toward and beyond the minimum college requirement. A small percent increment is commonly recommended for each 30 credits needed for a degree.

Earning full credit would result in a larger percent incentive pay. Agencies must also support educational efforts by reimbursing tuition payments, granting educational leaves and providing shift preferences whenever possible so that officers can attend classes.

A police agency should provide six (6) types of training: basic, field, specialized, advanced refresher and remedial.

- Basic Recruit Training: Recruit training prepares new officers to function as policemen and policewomen. Its purpose is to develop fundamental operational skills, to impact a Department’s philosophy, and to familiarize recruits with Departmental policies and procedures. Recruit training is the most intensive training an officer receives and in many ways the most important. It helps form attitudes, philosophies and habits that influence officers throughout their careers. Every sworn member of a Department must go through recruit training. Recruit training is classroom based, though it should also include field exercises.

The Municipal Police Officers’ Education and Training Act requires that officers receive a minimum of 520 hours of basic instruction. Instruction must include the vehicles code, the crimes code, rules of criminal procedure, legal issues, investigative techniques, interviews, interrogation, surveillance, firearms, first-aid, collection and preservation of evidence and a variety of other topics important to the recruit.

- Field training: Field training is an extension or continuation of recruit training. Assigning a recruit to work in the field with an experienced patrol officer or number of patrol officers is the central feature of field training. It is on-the-job training in the truest sense. Field training must be designed to enable recruits to apply and practice in the field what is taught in the classroom.

Field training officers must be selected very carefully since the success of field training depends, ultimately, upon the ability of field training officers to instruct and guide. The following factors should govern selection:

- a. Desire to serve: Only enthusiastic volunteers should be considered. Half-hearted instruction is inadequate.
- b. Ability: The training officer should be able to properly demonstrate approved techniques for conducting both routine and non-routine duties. The training officer must have mastered all tasks of the uniformed patrol officer.

- c. Attitude: A field training officer must have a positive attitude toward top management, command and supervisory officers and the policies of the organization. The attitude conveyed to the recruit must consistently be one of a professional police officer dedicated to public service. The recruit will look to the training officer for interpretation of policy, will begin to internalize attitudes toward the public, and will learn intangibles of police service which can never be completely transmitted in the classroom. Therefore, the examples shown to the recruit must be exceptional.

Neither age nor seniority should be given any great weight in the selection of a field training officer, since ability and attitude are not related to age.

Field training officers should be instructed on how to conduct field training. They should have field training guides and lesson plans. The guides should state training objectives and describe preferred training methods. Lesson plans should familiarize field training officers with what recruits are to have learned during recruit training. The field training itself should cover a majority of the situations the trainee will encounter when he or she performs independently.

It is essential to formally evaluate the performance of recruits. Weekly evaluations are counseling sessions to discuss evaluations and permit recruits to ask questions. Sessions

should be private and confidential. At the end of the training period, field training officers should recommend retention, termination, or retention with additional training and/or monitoring. All recommendations must be justified and documented. A recruit whose termination is recommended should be entitled to basic due process protections. Field training should last at least three (3) months.

- Specialized Training: Specialized training prepares those who serve on special assignments or conduct special activities, either managerial or technical, to function more effectively. It is designed to develop skills, abilities and attitudes in areas not dealt with during recruit and field training. Executive development, supervision, crime analysis, data processing, juvenile investigations and records management exemplify this class of training. Training to provide new skills and information to those in patrol, investigations, or other basic Departmental assignments also qualifies as specialized training.

Whenever possible, every sworn and non-sworn individual who functions in a specialized job should be trained for that job prior to assignment. This is especially essential for new patrol and other supervisors who command large groups of personnel. To ensure that all who require specialized training receive it, a police agency must maintain an inventory of jobs requiring specialized training, the amount and kind of training required, and determine whether incumbents of the jobs have the requisite training.

- Advanced Training: Advanced training is a form of specialized training. The term is reserved, however, for training designed to impart the skills, knowledge and attitudes required for the highest executive and leadership positions in an agency. Advanced training is mainly available from outside providers. The FBI National Academy, Southern Police Institute, Northwestern University Traffic Institute, and the International Association of Chiefs of Police are the best-known providers of advanced training. A

Department should ensure that all personnel serving in leadership and executive capacities, or being groomed for leadership, receive advanced training.

- Refresher Training: Refresher training is designed to reinforce, update and review aspects of the basic training curriculum. Duration can vary from a few minutes during roll call to a week or more in a classroom or academy setting. A Department should use the roll call constantly to provide refresher training. Patrol officers should have a 40-hour refresher session every year. Curriculum should be geared to areas of critical significance and to problem areas. Arrest procedures, officer safety, report writing and community relations are samples of refresher training. The MPOETC annual mandatory training meets this training area for the most part; however, Police Chiefs have continued to lobby for improvement in the selection of topic areas.
- Remedial Training: Remedial training is designed to correct specific deficiencies of individual officers. Deficiencies are normally discovered by supervisors during the course of work, by instructors during training sessions, through preparation of evaluations, or during testing. A Department should insist on remedial training for all officers who exhibit continuing deficiency in important aspects of job performance.

To maximize the quality of training, a Department must ensure that all courses are taught by certified or otherwise qualified instructors. Instructors must be supervised and evaluated by a Department's training director and trainees. Trainees should be tested and evaluated frequently to ensure the course material is being absorbed effectively and at expected rates. Course design is critical. Every course must have performance objectives. Performance objectives specify what course participants are expected to learn and provide a basis for evaluating participant achievement, as well as the content of a course itself. There must be a lesson plan for each course, consisting of performance objectives, an outline of course content, required sequence of presentation, recommended instructional techniques, references, instructor and student work materials and evaluation materials. Most courses should provide material geared to job tasks. This requires that job analysis precede course design. These criteria should be used to select courses provided by outside providers, as well as to guide development of courses.

Large Police Departments should have a full-time training unit. The unit should identify training needs of every member of the Department; ensure that training needs of every member of the

Department are met expeditiously; plan, develop, present, and/or arrange for presentation of training courses; select instructors; schedule training courses and attendance of personnel; ensure that personnel attend courses; evaluate courses and instructors; and maintain training files. Small Departments should have a training coordinator.

Responsibilities; authority; functions and duties of training units; training goals; policies and procedures; and the training obligations of Department personnel should be covered in a written directive. The directive should also declare a Department's commitment to the highest level of education and training attainable.

Current conditions in the Exeter Township Police Department

The Department requires a high school diploma for the position of Police Officer. The national average is 13.5 years across the police profession. In accordance with the Chief of Police, some Officers do have college credits.

The Chief of Police, Sergeants and some Officers have attended the Pennsylvania State University POSIT and POLEX and Advanced POLEX training programs. This is particularly commendable for a small department. Interviews with sworn members indicate that training has been provided regularly and the Chief is supportive of finding innovative ways to provide training.

Evaluation

The Department's training program appears to be in conformance with professionally accepted standards. The Department has members trained as instructors in the areas of, but not limited to, Firearms, Belt Weapons, Tasers, and First Aid/CPR/AED.

Recommendations

To strengthen the training function, the Department should consider the following actions:

1. Utilize the full range of training areas as described above.

V: FACILITIES, VEHICLES AND EQUIPMENT

A. FACILITIES

Current conditions in the Exeter Township Police Department

The Police Department headquarters is located on the ground floor of the municipal building. There is a front public lobby/waiting room area, a central records/communication room, a squad room, an Interrogation room, a processing/identification room, two holding cells, several detective rooms and storage rooms. The majority of the Police Department encompasses approximately half of the municipal building. The Chief's office is on the Township side of the municipal building, adjacent to the police offices. The Police Department also has room in the basement of the building.

Evaluation:

The aforementioned information speaks for itself. Interviews with sworn staff suggested that the Police Department has outgrown their need for space.

Recommendations:

To improve the facility, the Department should consider the following actions:

1. Place this item on the planning committee agenda for evaluation as to the adequacy of space for Police Department function and operation.
2. Should a need for additional space be determined, the Chief of Police should work with Township staff to consider the matter in the Township's short/long range plans.

B. VEHICLES

The Township Police Department operates with a fleet of twenty-eight (28) vehicles. The fleet is serviced and maintained by the Township Municipal Garage when possible and by Commercial Vendors when the Township is busy and unable to provide maintenance or repairs. The following information was current as of September 19, 2013.

**Table 5
VEHICLES INFORMATION
EXETER TOWNSHIP POLICE DEPARTMENT**

Equipment #	Year/make	Description	Mileage	MO/Average	Condition
25-1	2008 - Ford	Crown Vic	26,289	910	Excellent
25-2	2013 - Ford	Interceptor	2,038	910	Excellent
25-3	2004 - Ford	Expedition 4x4	68,156	910	Excellent
25-4	2005 - Ford	Explorer Spare 4x4	101,473	unknown	Good
25-5	2013 - Ford	Interceptor	1,300	910	Excellent
25-6	2008 - Ford	Crown Vic	80,215	910	Good
25-7	2007 - Ford	Crown Vic	67,615	910	Excellent
25-8	2010 - Dodge	Charger	54,023	910	Excellent
25-9	2009 - Dodge	Charger	50,622	910	Excellent
25-10	2009 - Dodge	Charger	50,155	910	Excellent
25-11	2009 - Dodge	Charger	50,563	910	Excellent
25-15	1999 - Honda	Accord Undercover	185,079	unknown	Fair
25-17	2005 - Ford	Explorer K-9 Spare 4x4	126,250	unknown	Good
25-19	2002 - Olds	Silotette Undercover	132,726	unknown	Good
25-20	2006 - Ford	Explorer 4x4	85,000	unknown	Excellent
25-21	1996 - Ford	F-350 Utility/Truck 4x4	59,962	unknown	Excellent/Good
25-22	2010 - Ford	F550 TS Truck 4x4	6,200	unknown	Excellent
25-23	2004 - Chev	Impala Detective	119,320	unknown	Good
25-24	2007 - Chev	Impala Detective	29,502	unknown	Excellent
25-25	2005 - Chev	Impala Detective	81,051	unknown	Excellent
25-26	2001 - Ford	Crown Vic Detective Sgt	91,170	unknown	Excellent
25-34	2010 - Ford	Crown Vic K-9 Narc	55,190	910	Excellent
25-35	2011 - Ford	Crown Vic K-9 Narc	23,514	910	Excellent
25-37	2010 - Ford	Explorer K-9 Expl 4x4	35,968	910	Excellent
25-38	2012 - Dodge	Charger K-9 Expl	23,282	910	Excellent
25-91	2010 - Ford	Explorer Ptl Sgt 4x4	57,565	910	Excellent
25-92	2012 - Ford	Interceptor Ptl Sgt	5,686	910	Excellent
CI	2003 - Ford	E-250 Van Cr Scene Unit	6,385	unknown	Excellent

Evaluation

The current vehicle fleet is impressive and appears to exceed Departmental needs. The four (4) canine officers have take-home vehicles as required by case law decisions. There are two (2) high mileage vehicles utilized for narcotics work. Eight (8) of the vehicles are four wheel drive. One is a pickup truck used for the now disbanded traffic unit.

Depending upon the duty schedule (the number of officers/detectives working) and the number of vehicles available for use, there appear to be more vehicles remaining than necessary from a cost-effectiveness approach.

Additional notes from Department data are as follows:

1. Eleven (11) of the twenty eight (28) vehicles or 39.29% of the fleet were purchased using William Penn Foundation Grant monies.
2. The daily average of the patrol fleet is 240 miles based upon an average of 60 miles per patrol unit and an average of four (4) units per shift.
3. From January 1 through September 20, 2013, the patrol fleet consisting of 18 vehicles, traveled 114,626 miles. The average per vehicle is 6,368 miles (114,626 divide by 18 = 6,368).
4. The weekly average of the patrol fleet over the same 35 weeks was 3,275.
5. Based upon these averages, the patrol fleet of vehicles should travel approximately 157,200 miles during calendar year 2013. If so, the average annual mileage per patrol vehicle would be 8,733.3 miles (157,200 divide by 18 = 8,733.3).
6. The patrol fleet mileage was 9.22 miles per gallon based on the average of Equipment numbers 25-4, 25-9, 25-10, 25-11 and 25-91. Two of these five vehicles are 4x4's.

Recommendations:

1. Gather and analyze cost/mileage/repair, insurance, equipment, etc. statistics for the entire fleet.
2. Using a cost effectiveness approach, analyze the overall Department fleet needs with a goal of reducing or maintaining the vehicle fleet accordingly.

For example, the traffic unit has been discontinued – perhaps temporarily (depending upon future staffing levels), it might be more cost effective to utilize a trailer to store and transport the safety equipment when needed. Likewise, could a trailer be more cost effective to replace the Crime Scene Unit that is a 2003 model year with 6,385 miles (an average of 638 miles per year over 10 years)? Is there a need for two (2) undercover drug vehicles or are there alternatives when needed? This would not only save costs associated with the vehicle itself, but costs for insurances, maintenance, vehicle equipment, etc.

3. Prepare and utilize an inventory of equipment in and on the fleet vehicles.

C. EQUIPMENT

There is so much equipment involved in police work that a complete review was not conducted. Inventories are taken from time to time, but without a systematic approach.

Evaluation

None.

Recommendation

1. Conduct an inventory and prepare a list of all Department equipment.
2. Conduct annual inspections to maintain an up-to-date inventory.
3. Prepare and maintain a "Uniform & Equipment" initial issue for all Officers. This process will better control, catalogue, and inventory uniforms and equipment. The inventory should be maintained in the Officers' personnel file and used when an Officer returns the issue when leaving the employment of the Township.

VII: COST ANALYSIS OF POLICE BUDGET EXPENDITURES

Currently, the Police Department operates under an independent police line item budget. However, there are additional police related costs that could be included within the line items. The information that follows examines Exeter Township figures gleaned from the General Fund.

During the years 2005 through 2010, the police budget listed thirty three (33) specific line items that were attributed to the Police Department. The line items included Wages – Chief, Wages – Lt & Sgts, Wages – Patrolmen, Wages Vehicle Maintenance, Wages, Clerical/Police, Wages – Police Overtime, School Crossing Guard, Uniform Maintenance – PO, DP Supplies – Police Operating Supplies - Police, Dare Expenses, Firearms Expense, K-9 Officer Expenses, Traffic Unit Expense, Vehicle Fuel/Oil – Police, Uniform Purchase – Police, Bulletproof Vest Program, Vehicle Maintenance. Parts Vehicle Maintenance/Tires, General Expense, Police, Training-Police, Communications – Police, Equipment Repair- Police, DP Equipment Maintenance – Police, Radio Equipment Repair, Contracted Vehicle Repair, Capital Purchase Equipment, Capital DP Equipment, Byrne Jag Grant Expenses, William Penn Grant, Penn Prime Grant – Police Tasers, Minor Equipment-Police, and Minor Radio Equipment - Police.

During 2011 and thereafter, the budget added nine (9) items that now bring the police line item list to forty-two (42). The added line items include Union Health & Welfare, Health & Hospital Insurance, Life Insurance, Lt Disability Insurance, FICA/Medicare, Unemployment Compensation Insurance, Police Pension, Union Pension, and Workers Compensation Insurance.

The budget does not specifically allocate police costs in the following areas: Audit, Accounting & Payroll, Solicitor Fee's and other Legal Costs, Building Utilities, Maintenance & Repair expense, General Liability Insurance, Inland Marine Insurance, Employee Benefits Liability Insurance, Business Auto Insurance, Building Fire Insurance, Errors & Omissions Insurance, and Crime Insurance.

The following Table 6 was obtained from a review of the Exeter Township General Fund figures from 2005 through 2012 and the line items previously mentioned.

Table 6
FISCAL INFORMATION
EXETER TOWNSHIP –EXETER POLICE DEPARTMENT
2005 – 2012

Year	General Fund	General Fund Inc-Dec & %	Police Department	Police Inc-Dec & %	Police % of General Fund
2005	\$8,377,420	N/A	\$2,848,661	N/A	34.00
2006	\$8,687,237	+ \$259,817 03.10	\$3,043,294	+ \$194,636 06.83	35.03
2007	\$9,422,087	+ \$734,850 08.46	\$3,192,114	- \$148,820 (04.89)	26.79
2008	\$9,397,374	- \$24,713 (00.26)	\$3,283,862	+ \$91,748 02.87	34.94
2009	\$9,620,508	+ \$223,134 02.37	\$3,541,399	+ \$ 57,537 07.84	36.81
2010	\$9,076,626	- \$552,882 (05.75)	\$3,384,530	- \$156,869 (04.53)	37.29
2011	\$9,408,310	+ \$331,684 03.65	\$4,653,525	+ \$1,268,995 37.49	49.46
2012	\$9,132,023	- \$276,287 (02.94)	\$4,693,672	+ \$40,147 00.86	51.40
TOTAL	\$73,121,585	\$695,603 (.009)	\$28,641,057	1,347,374 +04.70	29.64

TABLE 7
WAGE FISCAL INFORMATION
EXETER TOWNSHIP POLICE DEPARTMENT
2005 – 2012

Year	Wages	Percent Increase/Decrease	Police Budget	Percent of Police Budget
2012	\$2,598,982	\$113,551 +04.57	\$4,693,672	55.37
2011	\$2,485,431	(\$9,200) (-.0037)	\$4,653,525	53.41
2010	\$2,494,631	(\$160,767) (-06.05)	\$3,384,530	73.71
2009	\$2,655,398	\$184,403 +07.46	\$3,541,399	74.98
2008	\$2,470,995	\$13,367 +03.06	\$3,283,862	75.25
2007	\$2,397,628	\$75,571 +03.54	\$3,192,114	75.11
2006	\$2,322,057	\$127,605 +05.81	\$3,043,294	76.30
2005	\$2,194,452	N/A	\$2,848,661	77.03
TOTAL	\$19,619,574	\$404,530 +18.43	\$28,641,057	68.50

Note: Wage information includes Chief, Lt & Sgts, Patrolmen, Veh Maint and Clerical/Police Line Items.

**TABLE 8
OVERTIME FISCAL INFORMATION
EXETER TOWNSHIP POLICE DEPARTMENT
2005 – 2012**

Year	Overtime	Amount/Percent Increase/Decrease	Police Budget	Percent of Police Budget
2012	\$224,470	(-\$24,000) (-09.65)	\$4,693,672	04.78
2011	\$248,736	(-\$55,320) (-18.19)	\$4,653,525	05.34
2010	\$304,056	\$30,335 +11.08	\$3,384,530	08.98
2009	\$273,721	\$10,571 +04.00	\$3,541,399	07.73
2008	\$263,150	\$2,055 +.0078	\$3,192,114	08.24
2007	\$261,095	\$16,023 +06.54	\$3,043,294	08.58
2006	\$245,072	\$157,518 +83.99	\$3,043,294	08.05
2005	\$187,554	N/A	\$2,848,661	06.58
TOTAL	\$2,007,854	\$36,916 +19.68	\$28,400,489	07.07

Note: In 2011, \$1,383,389 additional line item costs were added to the Police Budget. This alone would bring the overtime percentage down during fiscal years 2011 and 2012.

Findings:

1. The General Fund Budget increased \$ 754,603 or 08.26% (\$9,132,023 – \$8,377,420 = \$ 754,603) over the above period of time (2005 – 2012).
2. The Police Department’s Budget initial thirty one (31) then later forty (40) line items increased \$1,845,011 or 64.77% (\$4,693,672 - \$2,848,661 = \$1,845,011) over the same period of time.
3. From 2005 through 2012, the Police Wages costs have increased 18.43% (\$2,194,452 - \$2,598,982 = \$404,530). During the eight (8) year period, the wages accounted for 68.50% of the Police Budget.
4. From 2005 through 2012, the Police Overtime costs have increased \$ 36,916.00 or 19.68% (\$187,554 – 224-470 = \$38,680). During the eight (8) year period, overtime accounted for 6.97% of the Police Budget.
5. The General Fund Budget would have been approximately 28.81% to 29.27% less and the Police Department more if the \$1,383,127 cost of the nine (9) line items added to the Police Department in 2011 and the \$1,352,127 in 2012 would have been included in the Police Budget and taken out of the municipal budget during the period of time from 2005 through 2010.
6. The percentage increase in the Police Budget (64.77% plus) has been increasing at a much greater rate than the General Fund Budget (09.00%). Some of this is due to the line item change from the General Fund to the Police Budget.

7. During 2012, the cost per resident (using the 2010 census population 25,550 and budget expenditure of \$4,693,672) for police service is \$183.71.
8. The per incident cost (using 2012 monthly reports of 11,518) and the budget expenditure of \$4,693,672 is \$407.51. The 2012 Exeter Township per incident cost of \$407.51 can be considered with the 2008 Exeter Township "Per Call" cost of \$133.00 as reported in the "Police Executive Research Forum" Berks County Policing Study, page 58. It should also be noted that there are more calls dispatched than there are incidents. This information follows in Table 10 below.
9. The man-year cost during 2012 is \$161,851. This figure is also determined by dividing the Police Budget (\$4,693,672) by the total number (29) of sworn police officers.
10. The hourly cost can be calculated by dividing the total number of hours worked (2080 x 29 = 60,320) annually by all sworn members into the annual budget (\$4,693,672). Therefore, the hourly cost is \$77.81.
11. Using the man-year cost as an average cost per position, the leadership component, or the costs associated with administering and supervising the Department was \$971,106 in 2012. This figure is determined by multiplying the leadership positions (Chief and 5 Sergeants = 6) x the man –year cost (\$161,851).
12. Using the man-year cost again, the three (3) Detectives will cost \$485,553. This formula does not include the Sergeant handling cases. Therefore, due understanding needs to be given when considering this information.

The costs associated with each individual element in the Police Department structure can be assessed more accurately by measuring each actual cost. However, for the purposes of this report, using the man-year cost is adequate.

The 2012 cost data previously discussed is summarized as follows:

**TABLE 9
POLICE COST DATA
EXETER TOWNSHIP POLICE DEPARTMENT
2012**

Police Expenditures	\$4,693,672.00
Percent of Total Municipal Expenditures	51.40
Per Capita Cost for Police Service	183.71
Per Incident Cost for Police Service	407.51
Per Man-Year Cost for Police Service	161,851.00
Per Hour Cost for Police Service	77.81
Cost for Police Leadership Component	971,106.00
Cost for Investigative Component	485.553.00

In order to provide information with which to compare Exeter Township with other municipalities within Berks County, additional research was conducted. That information was obtained from the Police Executive Research Forum (PERF) Final Report dated July, 2009. In addition to

Exeter Township, four (4) Departments having similar populations were selected and that information follows:

**TABLE 10
 PEL/POLICE EXECUTIVE RESEARCH FORUM REPORT
 MUNICIPAL COMPARATIVE INFORMATION
 JULY 2009**

Municipality	Population	Officers	Officers per Thousand	Calls for Service^{1/}	Cost/Call^{2/}	Cost/Citizen
Cumru Twp	14,789	25	1.69	14,108	\$254.73	\$243.00
Muhlenberg	18,085	32	1.77	17,383	\$167.50	\$161.00
Berks-Lehigh	19,000	30	1.58	12,160	\$256.25	\$164.00
Exeter	24,776	32	1.29	12,305	\$267.79	\$133.00
Spring	26,349	30	1.14	13,478	\$303.02	\$155.00

1/ Calls for service via BCEOC are not “incidents”. Incidents will be less in number than calls. Source: PERF Berks County Policing Services Study – FINAL REPORT, page 58 -62 -66

2/ PERF did not calculate Cost/Call in their study. The Cost/Call figure above was calculated using PERF’s Cost/Citizen x Population = Budget figure divide by Calls for service = Cost/Call. For Example the cost per call for Exeter Township was calculated using this formula: (133 x 24,776 = \$3,295,208 divide 12,305 = \$267.79)

Evaluation:

Exeter Township has reduced manpower from thirty-two (32) police officers to twenty nine officers (29) for a reduction of 9.38% since the 2009 PERF study. It is probable that workload has increased over the four (4) years since the PERF study.

Recommendations:

1. Meet with Township Administrators and the Chief of Police to consider and amend the line item budget for the Exeter Township Police Department. Include all costs directly attributable to the operation of the Police Department. See Cost Analysis of Police Budget Expenditures, paragraph 4, page 49 for costs to be considered.
2. The Exeter Township General Fund budget should be amended to include the changes in number 1.
3. After receiving its own line item budget, the Police Department, should arrange for an annual, independent operations audit of its fiscal affairs. The Township’s audit staff or outside certified public accounting firm may be retained to conduct the audit. The Chief should be responsible for correcting any policy or procedural inadequacies discovered during the audit.

The procedure just described is intended to result in an objective-based program budget that will support development of costs of service for each organizational section and for each

function within the Police Department. This should increase the awareness of police supervisors to program costs and their role in managing programs in the most cost-effective manner.

4. If warranted, provide the Chief with training in the budget process to properly ensure accountability and effective participation in budget development and control.
5. Conduct a survey among area municipalities, in order to determine the average municipal police service percentage costs and how the Township compares. Insure that the comparison is “apples to apples” by considering the same line items discussed earlier in this section of the report. Also understand that a municipality can be so cost conscious as to render itself ineffective.

VII: COOPERATIVE POLICING INITIATIVES INFORMATION

In order to provide background information, it is relevant to review prior findings of an earlier statewide study. Between 1988 and 1990, the Department of Community Affairs (now the Center for Local Government Services) conducted a study of ten (10) of the then twelve (12) consolidated police agencies within the Commonwealth. There are currently thirty-three (33) consolidated Police Departments within the Commonwealth. The purpose of the study was to determine the cost effectiveness of consolidated as opposed to traditional policing models. To determine cost effectiveness and establish a basis for comparison, models were created from within the immediate area of each consolidated Department. Communities were selected from within the immediate area of each consolidated Department. Communities were selected that had their own police agencies which were comparable demographically and socio-economically to those served by a consolidated Department. DCA then studied and compared police service costs in the model by the consolidated Department. The results of that study are as follows:

1. The per officer costs in consolidated Departments was 3.5% higher than it was in traditional Departments.
2. Communities served by consolidated Departments spent an average of twenty-four (24) percent less for services than did communities served by traditional Departments.
3. The percentage of total budget committed to police services was 9% less in communities served by consolidated Departments than in those served by traditional Departments.
4. The cost per capita for police service was twenty-nine (29) percent lower in communities served by consolidated Police Departments than it was in those served by their own Police Department.
5. Consolidated Police Departments provided better patrol coverage to more municipalities with twenty-six point five (26.5) percent fewer officers than did traditional Departments.
6. Consolidated Departments operated with fifty-nine (59) percent fewer vehicles than did traditional Departments.

7. Uniform crime reporting and financial accountability was better in consolidated Departments than in traditional Departments.

A more recent study “Berks County Pennsylvania Policing Study” conducted by the Police Executive Research Forum in July, 2009, provided information on “Merger and Consolidation” on pages 70 through 74 of their Final Report. It is relevant to revisit their information.

The report stated that a number of studies in the 1960’s and 1970’s advocated the merging of law Enforcement agencies to provide citizens with a better police service. The President’s Commission on Law enforcement and Administration of Justice in 1967 recommended that “each metropolitan area and each county should take action directed toward the pooling, or consolidation, of police services through the particular technique that will provide the most satisfactory law enforcement service and protection at lowest possible cost.” The Advisory Commission on Intergovernmental Relations in 1971 advised that “small local police departments, particularly those with 10 or fewer men are unable to provide a wide range of patrol and investigative services to local citizens. Moreover, the existence of these small agencies may work a hardship on nearby jurisdictions. Small police departments, which do not have adequate full-time patrol and preliminary investigative services, may require the aid of larger agencies in many facets of their police work.” The National Advisory Commission on Criminal Justice Standards and Goals in 1973 suggested consideration of “the recombination and consolidation of police departments with less than 10 full–time officers”.

The number of U.S. police agencies and their general small size has been a continuing issue for over 40 years. Public administrators, scholars, and some citizen groups have long advocated the merging of similar government functions into one as a method for reducing government overhead and inefficiency.

The recent economic situation in the United States has renewed the call for local government to find more effective and efficient ways to deliver police service to their communities. As reported on May 19, 2009, in USA Today, in the past 15 months, 19 suburban and rural police agencies in Pennsylvania have closed and seven others have cut patrols. The closures and cuts have forced the Pennsylvania State Police, who also face budget struggles, to assume full or partial public safety responsibility for about 54,000 more people.

There are conditions that seem to push for consolidation of police agencies. In Small Police Agency Consolidation: Suggested Approaches, Koepsell and Girard suggest these conditions tend to be present.

- An increased demand for better law enforcement service with declining financial resources.
- A concern with inter-jurisdictional overlapping of law enforcement services.
- A significant problem or crisis that is present in a community.
- An agency already exists that can provide police service throughout all political subdivisions.
- A history of cooperation between local governments.

- A jurisdiction's desire to remove itself from the administrative problems that exist in operating a police department.

When jurisdictions consider merging Police Departments, there are two common methods. One is to consolidate all police service into one agency and abolish the individual Police Departments that exist. The other is to contract police services from another agency and abolish local Police Department. These methods often face political and legal problems, as well as issues regarding labor agreements and community opposition. Consolidation requires increased cooperation and leadership at the local level in order to be successful.

Common advantages and disadvantages of police mergers include the following:

- Improves the effectiveness of the services delivered. Mergers can reduce the inter-jurisdictional overlapping that can occur with a fragmented police service delivery system. They also can provide consistent enforcement, policies, practices, and procedures across the jurisdiction served by the merged agency.
- Reduce the cost through efficiencies. Mergers bring a certain economy of scale to the delivery of police service. Having multiple police facilities, vehicle fleets, communication facilities, records systems, and other capital overhead, including administrative functions like multiple hiring and promotional systems and increased operating costs of office supplies, insurance, fuel contracts, and uniforms, can produce duplicated costs. Mergers can provide a better use of civilian personnel by eliminating multiple communication centers, records sections, crime analysis functions, and human resource functions.
- Improve the amount and quality of service delivered. Mergers can provide full-time law enforcement and emergency backup capabilities, specialized services for high-risk situations, improved communication capabilities, reduced response time to genuine emergency situations, and improved officer safety through increased availability of back-ups.
- Eliminate the need for part-time officers, resulting in the delivery of service provided by full-time professionals.
- Improved recruitment, training, and career development of police personnel. Mergers can provide the ability to pay a higher consistent salary across the combined Department, whereas, small agencies may not be able to compete for the best police officers because they offer lower salaries. Mergers also allow for more training, because there is sufficient staffing to allow officers time-off to attend class. Smaller agencies, at times, cannot send officers to training because of staffing limitations. Mergers permit officers to have more choices for specialized assignments and promotional opportunities. Training and career development prospects tend to attract more candidates and better qualified candidates, to the agency.
- Enhanced liability control. Because of civil litigation, the actions of one police officer can put a small city, township, or borough in financial peril in defending or paying a judgment on a claim. A merged police department would not deter the litigation, but could spread the liability over a larger tax base and enable the organization to have a staff attorney employed full-time to manage claims. Small agencies typically retain a law firm for defense work, which may cost more.

Disadvantages

- Possible increase in cost. Mergers may cost more than leaving the smaller police departments to operate as they do. The most expensive part of any police budget is employee costs. Merged agencies frequently create a salary structure that uses the highest salary levels of the police agencies involved in the merger.
- Loss of local control over the amount and level of services delivered. A multi-jurisdictional agency may become less accessible to local leaders, and citizen satisfaction with service may decrease.
- Loss of “personalized” services. Mergers may result in weakened relationships between members of the local police department and their city, township, or borough. The enforcement of certain local priorities may dwindle in a larger agency that is not devoted to a small jurisdiction’s local neighborhood issues.
- Decreased upward mobility. With only a single Chief and fewer top command positions, those seeking advancement to the top level may see increased competition. However, there may be an increase of positions for the first-line supervisors and mid-managers, depending on the exact structure of merged agencies.

Additional information to consider as you look at contracting, merger or consolidation of Police Service is as follows:

DEFINITION; Consolidation of police services requires that individual political subdivision boundaries and individual Police Departments be abolished by ordinance, and those existing individual Police Departments be consolidated into one regional police department encompassing all political boundaries. The distinctive characteristics of this method of policing are the operation of the police agency outside the direct control of any one specific municipality. The Police Department operates under and is governed by a Police Commission consisting of elected and/or appointed officials from each of the participating municipalities.

EXPRESS AUTHORITY: The newly created police commission should have the “Express Authority” to conduct business to include, but not be limited to, some or all of the following:

- a. Lease, sell, purchase real estate;
- b. Lease, sell, purchase personal property;
- c. Enter contracts for purchase of goods and services, and collective bargaining agreements;
- d. Hire, fire, suspend, promote, demote, discipline, set salaries, and otherwise deal with employees;
- e. Serve as a hearing board for employee grievances;
- f. Establish and maintain bank accounts and other financial accounts;
- g. Invest monies;
- h. Borrow monies;
- i. Establish and fund employee benefit programs, including pension fund;
- j. Delegate any of its powers expressed or implied to the Chief of Police or his next in command, at the discretion of the Police Commission.

LEGAL AUTHORITY FOR POLICE CONSOLIDATION: Section 5 of Article IX of the Constitution of the Commonwealth of Pennsylvania serves as the legal and constitutional basis for consolidation of police services in the state. Section 5 of Article IX states:

A municipality by act of its governing body may, or upon being required by initiative and referendum in the area affected shall, cooperate or agree in the exercise of any function, power or responsibility with or delegate or transfer any function, power or responsibility to, one or more other governmental units including other municipalities or other governmental units including other municipalities or districts, the federal government, any other state or its governmental units, or any newly created governmental unit.

Act 180, as passed by the General Assembly and signed into law by the Governor on 7/12/72, serves as the enabling legislation that makes cooperation of public services in the Commonwealth a legal process. Contained in the Act are the provisions for initiating the cooperation and identification of the necessary contents of the agreement. Section 1202, clause 34 and 35 of the Borough Code; Section 1502, clause 53 and 54 of the First Class Township Code and Section 702, clause 40 of the Second Class Township Code also bestow authority upon municipal governments to enter into agreements for the purpose of intergovernmental cooperation.

GOVERNING LAW: With the exception of pension, there has been no decision to date about whether or not any specific law (such as borough code, tenure act, civil service and/or others) applies. However, Regional Police Departments have looked to such acts and codes for guidance and direction in the handling of their affairs. In so doing, they have not been deemed, in any fashion, to have adopted or become bound to abide by said acts and codes by implication or past practice unless they decide to do so. If such a decision is made, it must be so stipulated within the Articles of Agreement/Charter

Agreement. The Regional Departments must, at a minimum, abide by the provisions of 2 PA C.S.A. 101 et seq., commonly known as the Local Agency Law.

NOTE: With regard to pension, Act 1966-33 amended the act of May 29, 1956 (1955 P.L. 1804, No. 600) entitled "An act providing for the establishment of police pension funds or pension annuities in certain boroughs, towns and townships, and the regulation and maintenance thereof ", to include Regional Police Departments and was approved by Governor Thomas J. Ridge on May 10, 1996. At such time as a newly created Regional Police Department becomes operational, attention to this Act will be required.

Evaluation

As previously mentioned on page 8, the Township had been providing Saint Lawrence Borough with contracted police service that was terminated in 2009. It is understood that, at that time, the Township concluded that it was necessary to increase the Borough's cost for the service it was receiving. The increase was the reason the Borough discontinued the arrangement.

This Consultant retired as the Chief of The Northern York County Regional Police Department and has significant experience managing a consolidated agency. In addition, the Consultant has conducted nearly two (2) hundred studies for municipalities. Many studies involved the merger of Police Departments that continue to successfully cooperate in Regional Police Departments across the Commonwealth.

With that experience, experience indicates It is imperative that prior to any inter-governmental cooperative agreement, each municipality should have precise knowledge of the costs involved. Many cooperative agreements have ended because it was later determined they were providing services for less than it was costing them to provide. Others have not entered into cooperative agreements because they were not accurately aware of what it was costing them to provide on their own police service. Therefore, the cost to enter the agreement appeared to be greater than they were currently expending. For example, it was a budgeting matter that Exeter changed in 2011 by moving nine (9) line items from the Municipal Budget to the Police Budget. There are additional line items remaining that might be moved from the Municipal Budget to the Police Budget.

Further, this Consultant has found that when cooperative agreements are being discussed and studied, the more municipalities that are initially involved, more often than not, potential success of a cooperative agreement diminishes. Often, municipalities enter a cooperative study to go along to see what the results are. They eventually receive a cost for services and determine (incorrectly as discussed above) that it will cost more than they are paying on their own. Subsequently, they drop out of the arrangement. Then, the budget figures for the remaining municipalities must be recalculated and the costs will increase for the remaining municipalities. When one of the municipalities that wanted to stay sees the costs increase, it is a downward spiral from there.

Exeter Township has a professional and effective Police Department that could be instrumental in becoming a Consolidated Police Department with the cooperation of neighboring municipalities. Cooperative arrangements have proven to be quite successful and cost effective when arranged properly. Unfortunately, there has been misunderstanding and many poor arrangements that have caused the misunderstanding and the failure of inter-governmental police cooperative arrangements across the Commonwealth. Successful arrangements have a proven record of being effective and less costly for the municipalities and residents they serve.

Recommendations:

1. Exeter Township Board of Commissioners, Township Administrative Staff and the Police Chief should meet and discuss whether or not the Township is interested in pursuing a cooperative arrangement for Police services.
2. If a decision is made to move forward on a cooperative arrangement, the Chief of Police should be instructed to network with adjoining municipal Chiefs of Police to discover whether or not there is genuine interest in their participation in a cooperative arrangement.
3. Start small with one (1) or two (2) at most municipalities in order to improve the opportunity for a successful outcome.
4. Carefully select a consultant that understands clearly the issues involved.

VII: GOVERNING BODY – POLICE DEPARTMENT RELATIONSHIP

There is the no specific person/position on the Township Board of Supervisors assigned with authority and responsibility to govern the Borough Police Department. The Chief works with and reports to the Board of Supervisors as he fulfills his responsibilities. The Chief attempts to keep all five (5) supervisors informed of matters of mutual concern and/or interest.

Current conditions in the Exeter Township Police Department

There appears to be a healthy and positive relationship with the governing body and the Police Department personnel. The collective bargaining arena appears to be the current issue as this is a bargaining year for a new labor agreement. There appears to be history of cooperation and agreement as there has only been one (1) arbitration in twenty seven (27) years. There is little, if any, history of grievances with regard to the labor agreement. The Chief attends regularly scheduled Board meetings.

Evaluation

None.

Recommendation

To strengthen the governing body – Police Department relationship, the Borough should consider the following actions:

1. Work jointly to develop a plan to meet the future financial and operational challenges facing the Township and Police Department.