

# Wolf Township

## 2009 OPERATING BUDGET

*“IT IS OUR RELATION TO CIRCUMSTANCES THAT DETERMINES THEIR INFLUENCE OVER US. THE SAME WIND THAT CARRIES ONE VESSEL INTO PORT MAY BLOW ANOTHER OFF SHORE.” - CHRISTIAN BOVEE*

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### GENERAL FUND

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Without a doubt the 2009 Budget has been one of the most difficult documents to put together primarily due to the uncertainty of the economy in the upcoming year. In most cases, historical data will be used to determine the new budget unless specific facts can be obtained to back up income and expense figures.

The major concern of the Township and all residents is forecasting energy costs. According to the Energy Information Administration, Official Energy Statistics from the U.S. Government predict that residential heating oil prices during the upcoming heating season (October through March) are projected to average \$4.34 per gallon compared with \$3.31 during last season. A 31 percent increase. Annual average gasoline prices are projected to be \$3.82 per gallon for 2009. Diesel prices are projected to average \$4.27 per gallon. Electricity prices are expected to increase by 10 percent in 2009.

Energy costs not only affect our budget but, those of every supplier that we purchase services from. The cost of everything we use at the Township Building from a spark plug at Freezer's Auto Parts, to a bolt pack from Bradco, to a ream of paper from Quill, it all will increase in price. This is the year to cut back, use it up, and in many ways change how we do business.

No plans for purchasing equipment have been anticipated. Samuel G. Derr, Jr. is back full-time and will continue to repair and maintain the equipment in-house whenever possible. Wolf Township now has their own website that hopefully will eliminate many requests received at the office for various materials. The website not only has information on officials and different departments, the Code of Ordinances are available, as well as, applications for Building and Zoning Permits. All donations will remain the same.

One new source of income will be the proceeds of the HOME Grant to be used by Yoder Developers for Greggs Run Court. Wolf Township will distribute the funds and maintain the records for all transactions, receiving an up front fee of \$30,000.00. The first structure containing

four units was begun during the summer of 2008 and we anticipate the sale of those units during 2009.

The General Fund has always been operational; everything coming in goes out, maintaining the status quo of the Township. In an effort to boost the general fund balance without raising real estate taxes, the sign project has been moved to the Capital Reserve Account. The sign project is a mandatory directive from the state and the gas drilling is unexpected with all costs estimated.

A budget, in theory, is a map to the future, a guideline to assist the Board of Supervisors with their decisions during the upcoming year. Calculations must be made on the conservative side, considering the worst scenario and hoping for the very best. The gas drilling business coming to Lycoming County could turn out to be exactly the shot in the arm our local economies need but, it is not fiscally responsible to count on this event.

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### **CAPITAL RESERVE**

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The purpose of the Capital Reserve Fund is for special unexpected projects that would benefit a majority of the residents of the Township. The deposits made to this account over the past few years have consisted of payback features set in place by investments in waterline extensions and the original sewer line project. Currently, the only income for this account would be property owners hooking up to the municipal water line which extends to Greggs Run Court along Gregg Run Road, The Meadows at Wolf Run on Lime Bluff Rd. and Rte. 220 Hwy. and Trinity Estates on Elm Drive. A safe estimate would be 10 new hook-ups.

Effective January 1, 2006 Types I and II retro reflective sheeting materials are no longer approved for use in Pennsylvania for manufacturing highway signs. All highway signs, which are considered official traffic control devices, must be fabricated from Type III material or better. Pennsylvania recently adopted the Federal Manual on Uniform Traffic Control Devices (MUTCD). The MUTCD requires that street name signs be manufactured with 6-inch copy for highways and stipulates a compliance date of January 2012.

At the July 14, 2008 Board of Supervisors meeting it was decided to hire Municipal Solutions, Inc. to conduct a study for road bonding, with the anticipation of the gas drilling that may occur in Wolf Township. This project will not only include the study itself but, signs and other enforcement supplies.

Both of these projects were not anticipated and created by very special situations that would qualify the expense as an appropriate use of capital reserve funds. The budget will demonstrate a negative balance because the funds are in a money market accounts and CD's.

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## **HYDRANT FUND**

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The Real Estate Tax budget figure is the same as last year even though we are experiencing steady growth. The fund is used exclusively to pay the bills received from the Hughesville Borough Water Authority and deposits come from residents located 600 feet from a hydrant.

The calculation from the Hughesville Water Authority is \$30.00 per hydrant per quarter – 33 hydrants. Additional fire hydrants will be added to the system at Greggs Run Court and the Meadows at Wolf Run.

The theory is to include the expense but not to anticipate the income from new homes that will be built. Also, there is the possibility that the Water Authority could increase the cost per hydrant. The figures used should give a relatively fair account of what could occur in 2009.

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## **STATE FUND**

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The Township receives an annual allocation of Liquid Fuels Taxes from the State's Motor License Fund that is used strictly to maintain roads. The funds come from the taxpayers and should be spent to insure safe roadways.

The cost of paving continues to rise and we can safely anticipate that it will not go down but, rather fluctuate a great deal. This year when the bids came in to the COG, the various companies used the MAY asphalt index, with a clause that as the index changes so will the final prices for service. The index changed a great deal requiring for the first time in eight years a monthly update to the Township showing the new cost of paving. As the price increased it became necessary to eliminate Baker Hill Road from the original plan.

All Liquid Fuels Funds received will be spent to pave roads. The number of miles paved will decrease, and the criteria will be based on condition of the road and the amount of traffic.

No new equipment will be purchased. All other road supplies will be purchased from the General Fund.

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## **FIRE PROTECTION**

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This tax is calculated on the value of real estate in the Township. The amount collected is totally distributed to those fire departments servicing Wolf Township. Currently, 80% is paid to the Hughesville Wolf Township Volunteer Fire Department and 20% is paid to Picture Rocks Volunteer Fire Department. The Township is simply the agent collecting the funds and has no jurisdiction on how it is spent. This contract was set up with the fire companies several years ago and they agreed at that time they would not solicit the residents of the Township for funds because of the tax. The Ambulance Funds are not included in this agreement.