
Easttown



Township

TO: BOARD OF SUPERVISORS (BOS)
FROM: DON CURLEY
SUBJECT: PROSPECTIVE EIT TRANSITION PLAN
DATE: JULY 5, 2024

Don Curley
7/8/24

Obviously, if you transition your revenue from a millage-based system to a hybrid system of millage and EIT then best to target how you intend to spend the revenue in the initial year(s) of the transition. Notes:

- At this point, the form of the plan is more important than the content of the plan. The content is finalized during budget process. You can/should/will change the values and add or subtract items.
- Everything in the plan reflects new prospective spending. In other words, these things are the relatively-expensive things that you had identified as your priorities but have not yet budgeted.
- The items in the plan are your ideas (what you had publicly agreed to be your priorities thru BOS Projects).

Category	2025 Target Spending (\$ +/-) @ 0.5% EIT)		2025 Target Spending (\$ +/-) (@1.0% EIT)	Notes
Safety Factor	\$880,000	Assumes 20%	\$1,800,000	Assumes 20%
Fire EMS	\$630,000		\$630,000	
Fund Balance	\$380,000	It assumes that you will borrow for future capital projects	\$3,565,000	It builds a capital fund for future capital projects
Capital Projects	905,000		\$1,150,000	
Staffing	\$285,000		\$285,000	
Existing Projects	\$770,000		\$770,000	
Real Estate Tax Offset	\$550,000	It assumes around 12% reduction over three years	\$600,000	It assumes around 12% reduction over three years
	\$4,400,000		\$8,800,000	

Estimated EIT Revenue		2025	2026	2027	Notes
Estimated Annual EIT Revenue Escalation Fa 1.02					
Activity	Sub Activity				
Safety Factor		\$ 880,000	\$ 250,000	\$ -	assume 20%
Fire EMS Capital					
	Bridge Ave Construction	\$ 500,000	TBD	TBD	How much more cash is not yet known. I think you will see steady costs going forward.
	1485 Building Planning and Design	\$ 30,000	\$ 150,000	TBD	This one is undetermined but not likely to be expensive.
	1485 Building Construction	\$ -	TBD	TBD	This one is undetermined but could be expensive.
	PPC Building (Planning, Design, Construction)	\$ -	TBD	TBD	This one is undetermined but could be expensive.
	Prospective TEFD Capital	\$ -	TBD	TBD	This one is undetermined but could be expensive.
Fire/EMS Operation					
	Debt Service (Fire House)	\$ 50,000	\$ 50,000	\$ 50,000	The project got bigger and the rates got worse.
	Administrator	\$ 10,000	\$ 10,000	\$ 15,000	It might be zero.
	Zero Balance Billing	\$ 40,000	\$ 40,800	\$ 41,616	This is our best estimate at the moment.
	Fire EMS Staffing	\$ -	\$ -	TBD	BFC indicates it aspires for multiple new hires.
	Prospective TEFD Operations	\$ -	TBD	TBD	This one is undetermined but could be expensive.
Fund Balance					
	General (01)	\$ 230,000	\$ -	\$ -	The February fund balance was lower than my comfort level.
	Library (02)	\$ 50,000	\$ -	\$ -	The fund has insufficient liquidity in February.
	Fire (03)	\$ 100,000	\$ -	\$ -	The fund was established without a Fund Balance.
	Capital Fund (018)	\$ -	TBD	TBD	This level assumes that you want to build the fund.
	Other (tbd)	\$ -	TBD	TBD	The other funds seem fine at the moment.
Capital Projects					
	Building Planning and Design	\$ 30,000	TBD	TBD	It remains unclear how much building you want.
	Building Design	\$ 250,000			
	Building Construction	\$ -	TBD	TBD	It is not clear if you will borrow for the building or pay from revenue.
	Building Fund		TBD	TBD	It is not clear if you will borrow for the building or pay from revenue.
	Park Improvements	\$ 255,000	TBD	TBD	This item is undetermined.
	Open Space Acquisition (Planning)	\$ 50,000	TBD	TBD	This item is undetermined.
	Open Space Acquisition (Procurement)		TBD	TBD	This item is undetermined.
	Town Center Creation (Planning, Design)	\$ 50,000	TBD	TBD	This item is undetermined.
	Town Center Creation (Construction)		TBD	TBD	This item is undetermined.
	Trail Planning	\$ 100,000	TBD	TBD	It is not clear how this item would be funded.
	Trail Construction	\$ -	TBD	TBD	It is not clear how this item would be funded.
	Sidewalks/Streetscapes Planning	\$ 100,000	TBD	TBD	It is not clear how this item would be funded.
	Sidewalks/Streetscapes Construction	\$ -	TBD	TBD	This item is undetermined.
	Public Outreach	\$ 50,000	TBD	TBD	This item is undetermined.
	Capital Fund Debt Service	\$ -	TBD	TBD	It is not clear if you will borrow or pay directly from revenue.
	Financial Planning (Capital)	\$ 20,000			
Operations					
	Police Staffing (Transition)	\$ 80,000	\$ -	\$ -	Best to hire Patrol replacement well in advance's of Chief departure.
	Police Staffing (New Hire)	\$ 80,000	\$ 160,000	\$ 170,000	It is undetermined if you will hire another officer.
	Public Works/Sewer Staffing (New Hire)	\$ 125,000	\$ 125,000	\$ 125,000	Some of this cost will be paid by the SF.
Existing Projects (Planning and Zoning)					
	Devon Train Station Sidewalk	\$ 200,000	\$ 200,000	\$ -	
	U-Shaped Corridor Sidewalk	\$ 250,000	\$ 250,000	\$ -	
	S. Fairfield Exfiltration	\$ 320,000			
	Real Estate Tax Offset	\$ 550,000	\$ 200,000	\$ 200,000	Assumes around 10% reduction in property tax.
SUM		\$ 4,400,000			

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Estimated EIT Revenue		2025	2026	2027	Notes
Estimated Annual EIT Revenue Escalation 1.102					
Activity	Sub Activity				
Safety Factor		\$1,800,000	\$ 500,000	\$ -	assume 20%
Fire EMS Capital					
	Bridge Ave Construction	\$ 500,000	TBD	TBD	How much More cash is not yet known. I think you will see steady costs going
	1485 Building Planning and Design	\$ 30,000	\$ 150,000	TBD	This one is undetermined but not likley to be expensive.
	1485 Building Construction	\$ -	TBD	TBD	This one is undetermined but could be expensive.
	PFC Building (Planning, Design, Construction)	\$ -	TBD	TBD	This one is undetermined but could be expensive.
	Prospective TEFD Capital	\$ -	TBD	TBD	This one is undetermined but could be expensive.
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Capital Projects					
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	S. Fairfield Exfiltration	\$ 320,000			
Real Estate Tax Offset		\$ 600,000	\$ 200,000	\$ 200,000	Assumes around 10% reduction in property tax.
SUM		\$8,800,000			

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