



## **AGENDA**

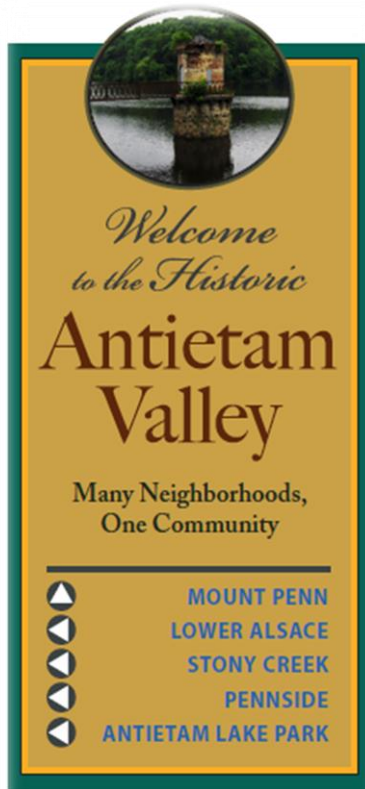
**Lower Alsace Township & Mount Penn Borough  
Consolidation Committee**

**Monday, July 7, 2014**

**7:00 PM**

**Mt. Penn Borough Hall**

### Why think about a consolidation now?



Since February, a Consolidation Committee made up of three representatives from Mt. Penn Borough and the three supervisors from Lower Alsace Township have been meeting regularly to explore the possibility of consolidating the two communities. About 20 citizens have regularly attended the meetings. There is one question that has been raised by those attending which has not been answered to date. “Why are we considering a merger at this time?” While there have been many responses to this question to date, here are a few thoughts for consideration by our residents.

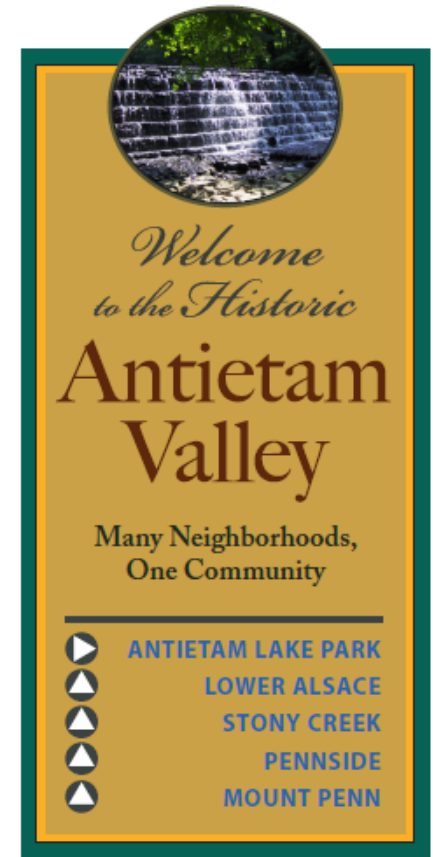
For the past few decades our two communities have recognized that they have many interests in common. We share a common water supply and a sewer authority that serves both municipalities. For our public safety, we have formed a regional police department, we have two fire companies that serve both communities and that work closely together in fire calls, and we are served by the same ambulance service. In addition, we are in the process of developing a joint recreation plan that will identify opportunities to enhance our recreation facilities and programs that will serve the residents of both communities.



As we look to the future, we have prepared and adopted a joint comprehensive plan that guides our future development in both communities. With the implementation of this plan, we have adopted a joint zoning ordinance that regulates the land use in both communities. In essence, our community leaders and residents have recognized the many benefits and common interests in working together as one community in the Antietam Valley.

But this is not enough. The many state laws and regulations that govern how we organize and operate our local units of government (in this case the Borough of Mt. Penn and the Township of Lower Alsace) many times stifle creativity, impose requirements, and present road blocks to further opportunities to work together. To unleash our full potential to truly be one community our local government needs more flexibility and local control in determining our future direction. As part of this consolidation, both communities can create our own guidelines for government and even how we develop budgets and operate departmental services. This is called Home Rule and the consolidation committee is examining the opportunity to create our own form of government customized to our needs.

For these reasons, we are exploring the opportunities and benefits of becoming one community – The Municipality of Antietam Valley. Mt. Penn Borough Council and the Lower Alsace Township Supervisors will be deciding in late July (July 28) as to whether they will put this proposal on the ballot for the November election. If so, our residents will then make the final decision as to whether we combine our communities when they vote in November. You can look forward to receiving direct information regarding the opportunity well in advance of the November election, however, in the meantime feel free to attend any of the final meetings as we decide the future of our two communities.





In addition, the remaining three Consolidation Committee meetings will now start at 7 PM on July 7th in the Mt. Penn Borough Office located at 200 North 25th Street, Reading PA 19606; July 14, and July 28 in the Mount Penn Primary Center Auditorium located at 201 North 25th St. Reading, PA 19606.

There will also be a special meeting for local residents hosted by the Mt. Penn Area Business Association and the Antietam Valley Community Partnership on Monday, July 21, 2014 at 7:00 PM at the Mount Penn Primary Center the purpose of which is to present the findings and recommendations of the Consolidation Committee. The elected officials charged with creating the governing structure for a merged community urge citizens of Mount Penn and Lower Alsace to attend this meeting and provide their input. While the decision about whether or not to merge will be made by the residents through a ballot initiative at the polls in November, the governing structure including the number and term of elected officials, the structure for taxation of residents and businesses, and the name of a merged municipality and other important decisions must be made by the current members of Mount Penn Borough Council and the Lower Alsace Board of Supervisors. This is a dramatic decision which could permanently change the face of Antietam Valley, so please consider attending this meeting and letting your elected officials know your thoughts on these important issues.

## Revenue sources examined for potential savings

- Real Estate Taxes
  - Act 511 Taxes
- Licenses, Permits and Fines
  - Interest and Rent
- Intergovernmental Revenue
  - Charges for services

## **Projected Sources of estimated additional revenue:**

Smaller communities have restricted staff capacity to manage an inspection program of 850 units

Mt. Penn has approximately 380 rental units.

Lower Alsace has approximately 470 rental units

An updated **Rental Inspection Program** could provide the community with several benefits including:

- Improved property values
  - Better quality of life
- Better assessment and collection of taxes

How do we get to the Benefits with a Consolidated Community?



- Identification and registration of all property owners for enforcement and fee payment
- More frequent identification of all renters for accuracy in the payment of all earned income taxes
- Enhanced resident identification as assistance to your Public Safety Officers
- Additional annual income from enhanced Rental Program is estimated at **\$62,000.**

How did we arrive at this estimate?



### **Proposed Rental Ordinance changes:**

- Register / License every individual unit for occupancy and building owner. Projected annual fee \$35.00 – **Estimated annual revenue \$29,000**
- Rental unit inspection every two years as well as a required inspection for change of tenant - \$70- **Projected annual revenue of \$29,000**
- Mandatory re-inspection of units upon change of tenancy \$70.00 - Free inspection if before 180 days from last inspection.
- Re-inspection \$30.00 for inspection that fail.
- Projected additional inspection revenue - **\$10,000**
- Additional tax payers added to the Earned Income Tax roll for the Community –estimated at \$400 Tax per 200 rental units - **\$8,000**
- **less current estimated annual rental revenue \$14,000**



## **Additional estimated Revenue Changes:**

Lower Alsace just completed a 10 year franchise agreement with 2014 standards for cable delivery the resulting revenue for the Township is projected at \$86,000 in 2014.

Mt. Penn's Franchise Agreement lapses in 2016 the resulting revenue for the borough is projected at \$21,000 for 2014.

A merger of the two agreements into Antietam Valley Franchise Agreement w/5% Cable Television revenue and LA Cable Package is projected to be \$121,000.

**Net \$14,000 in new revenue with no legal expense for the Borough.**

## **Estimated Summary**

**\$83,000 of additional annual revenue**

Rental Inspection Program + **\$54,000**

Earned Income Tax reporting from enhanced  
Rental Program - **\$8,000**

Cable Television 3% – 5% Mt Penn **+\$14,000**

Potential Grant from Comcast **+\$7,000**

## **Budgetary expenses examined for potential savings:**

- General Government
- Public Safety, Fire and EMS
- Public Safety Codes Planning/ Zoning
- Health and Human Service
  - Public Works
  - Insurance

## **Municipal Healthcare Estimated Savings**

Lower Alsace \$77,000

Mt. Penn \$33,636

CBRPD \$344,000

Combined \$454,636

Projected Actuarial Estimate: \$375,963

**Savings \$78,673**

## **Municipal Solicitors Estimated Savings**

Lower Alsace \$20,800

Mt. Penn \$8,000

CBR Police Commission \$8,000

Combined \$36,800

Projected Antietam Valley \$26,000

**Savings \$10,800**

## **Municipal Engineering Estimated Savings**

Lower Alsace \$20,000

Mt. Penn \$20,500

Combined \$40,500

Projected \$30,000

**Savings \$10,500**

## **Municipal Auditing Estimated Savings**

Lower Alsace \$8,700

Mt. Penn \$6,000

CBRPD \$4,500

Combined \$19,200

Projected \$12,000

**Savings \$7,200**



## **Elected Officials Compensation**

### **Estimated Savings**

Lower Alsace – three elected Officials - \$4,000

Mount Penn – seven elected officials -\$12,000

Antietam Valley – five elected officials - \$9,000

**Savings \$7,000**

## **Municipal Dues Estimated Savings**

Lower Alsace \$3,000

Mt. Penn \$2,400

CBRPD \$2,000

Combined \$7,400

Projected \$5,000

**Savings \$2,400**

## **2014 Real Estate Tax Collection Costs**

### Lower Alsace - 1928 Parcels

- Elected Tax Collector total compensation- \$25,500
  - Printing and Postage - \$580

### Mt. Penn – 1210 Parcels

- Elected Tax Collector total compensation- \$18,800
  - Printing and Postage - \$ 397

### LAMP -3138 Parcels Combined

**\$45,277 annual cost of Real Estate Tax Collection**

## **Possible Real Estate Tax collection options:**

Tax Collection by the Berks County Treasurer

- 3,138 parcels collected @ \$1.00 per parcel \$3,138

Current costs - \$45,277.00 - \$3,138

**Estimated annual savings Real Estate Tax Collection**  
**\$ 42,139**

Other options to be explored  
by Transition Team



## **Summary of projected savings to existing expenses**

**Healthcare - \$78,600**

**Tax Collection - \$42,000**

**Solicitors - \$10,800**

**Engineering - \$10,500**

**Auditing Services - \$8,000**

**Officials Compensation Savings - \$7,000**

**Advertising - \$3,000**

**Dues - \$2,400**

**Public Official Liability Insurance - \$2,000**

**Total Estimated Savings \$164,300**

1 Mill = \$ 260,368

Estimate for potential New Revenue \$83,000

Estimated Savings on Expenses \$164,300

Total \$247,300



## Examples of possible flexibility for future taxation

Ave. assessment	Antietam Valley Tax	Lower Alsace Tax	Mount Penn Tax	Max Savings
\$100,000.00	4.35 mills +1% EIT	7.10 mills + .50% EIT	7.40 mills +.50%EIT	
Real Estate Tax	\$435.00	\$710.00	\$740.00	
median family income				
\$50,000.00	1.00%	0.50%	0.50%	
Earned Income Tax	\$500.00	\$250.00	\$250.00	
<b>Twp. Taxes</b>	<b>\$935.00</b>	<b>\$960.00</b>	<b>\$990.00</b>	<b>\$55.00</b>

Ave. assessment	Antietam Valley Tax	Lower Alsace Tax	Mount Penn Tax	Max Savings
\$200,000.00	4.35 mills +1% EIT	7.10 mills + .50% EIT	7.40 mills +.50% EIT	
Real Estate Tax	\$870.00	\$1,420.00	\$1,480.00	
median family income				
\$75,000.00	1.00%	0.50%	0.50%	
Earned Income Tax	\$750.00	\$375.00	\$375.00	
<b>Twp. Taxes</b>	<b>\$1,620.00</b>	<b>\$1,795.00</b>	<b>\$1,855.00</b>	<b>\$235.00</b>

Ave. assessment	Antietam Valley Tax	Lower Alsace Tax	Mount Penn Tax	Max Savings
\$300,000.00	4.35 mills +1% EIT	7.10 mills + .50% EIT	7.40 mills +.50% EIT	
Real Estate Tax	\$1,305.00	\$2,130.00	\$2,220.00	
median family income				
\$100,000.00	1.00%	0.50%	0.50%	
Earned Income Tax	\$1,000.00	\$500.00	\$500.00	
<b>Twp. Taxes</b>	<b>\$2,305.00</b>	<b>\$2,630.00</b>	<b>\$2,720.00</b>	<b>\$415.00</b>

# Comments

from

Lower Alsace Township

and

Mt. Penn Borough

Consolidation Committee Members



November 4, 2014  
is  
decision Day!