

Annual Borough Budget Information and Updates

The Borough Administration has recently received several questions about the annual Borough budget. Boroughs are mandated by law to meet specific deadlines in the budget process. The fiscal year of Jenkintown Borough begins January 1st and ends December 31st. The budget process begins in October when a proposed budget is drafted and discussed during a series of publicly advertised budget meetings. According to the Borough Code of Pennsylvania, all boroughs must prepare a budget at least 30 days before its adoption. Once the council proposes a budget it must be advertised for at least 10 days to allow for public inspection. A hearing is scheduled after those 10 days to allow for further public comment. After the completion of the hearing, Borough Council votes to adopt the budget. By law, the council must adopt a budget by motion of the council, no later than December 31st. Due to these required timeframes, some budget line items are a “point in time” regarding projected and actual costs. We have included some questions and answers below that were recently posed by a resident that may assist other Borough residents interested in this issue as well as links to the annual budget statement and other budget related statements issued such as the Solid Waste and Sanitary Sewer Fund. The Borough Administration is hopeful that this information will be helpful in assisting to understand the Borough budget timeline, process and that those interested in the Borough budget will attend the public budget meetings that will be advertised and held beginning in October of 2024 in preparation of the 2025 Borough budget.

[Borough Budget Statement](#)

[Solid Waste Fund](#)

[Sanitary Sewer Fund](#)

[2024 Sewer Charge Comparison Chart](#)

Questions received from residents are shown and answered in **bold** below.

General Fund Questions

Expenses

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Advertising - What are we advertising?

01-400-210

The Borough is required by State Borough Code to publicly advertise in a newspaper of general circulation all public meetings, hearings, ordinances, job openings, public work over the state bid threshold etc...

Local enabling tax commission – per the trial balance why is this double what the budget was predicted to be?

01-403-310

Budget line 01403310 Local enabling Tax Commission is the commission paid to Berkheimer for collection of Act 511 taxes and is based on a percentage of Act 511 collections. In 2023 this line was budgeted at \$19,665 and year end showed \$45,393. The Act 511 collections were higher than budgeted in 2023 so this line would be expected to be higher than budgeted (But not the total variance shown). In addition to increased revenue/commission, during monthly/year end reconciliation it was observed that December 2023 an amount of \$19,680.57 was Journal entry to the 01403310 Commission line as an expense, when it was actually a reduction of revenue line of 01310800 Business Privilege Tax and instead of being listed as an expense it should have reduced revenue by that amount. By the time monthly/year end reconciliation took place 2023 had been finalized. This occurrence while having no significance to the final overall number for BPT collection will be noted on the 2024 budget to reduce the chance of reoccurrence and to document the happening.

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Equipment and supplies had a significant increase – What caused 2023 to be so high and was it a one-time fee since 2024 shows a smaller budget?

01-407-100

The Borough replaced server and associated equipment. This can be expected every 6/8 years. Through interdepartmental cooperation the Borough was able to combine the PD and Admin on to one server instead of having two separate servers and systems as previously was the case saving the cost of purchasing two servers moving forward.

Software had a significant increase – What caused 2023 to be so high and was it a one-time fee since 2024 shows a smaller budget?

01-407-200

Required update to existing software and installation of new software to enable new electronic technology. The 2024 budget was expected to be sufficient when budgeted, although some employees are lobbying for a change to the financial/codes software which looks to be in the range of a \$70K to \$100K annual budget increase if implemented.

New line item for cell service – Where was this line item before or is having work phones new? Who has a work phone?

01-407-111

This singular budget line was created in the 2024 budget to have all cellular and cellular hotspot expenses in one place for tracking and management purposes. Previously it was shown in different budget lines as well as different departments and the contracts had not been with a common carrier. Through inter-departmental cooperation cell service for Parking Enforcement, PD Officer in Charge, Chief of Police, PW Foreman, and Borough Manager will all be shown in this one budget line.

If it was a part of the telephone budget previously, why don't we see that budget decrease? The \$3,120 budget in 2023.

A hotspot and a phone line for Officer in Charge was added.

How many more crossing guards are we adding to increase the budget by 50%?

01-410-040

Two new crossing guards were budgeted to be added. In addition to a pay increase, the increase in budget also reflects the Parking enforcement and PD admins service as crossing guards not previously broken out and billed to this line. This will enable better management, tracking and increased reimbursement due to the accurate tracking.

Under Buildings and Plants – What is the repairs needed?

01-409-400

Budgeted repairs include, Council / Meeting Room Lighting, Borough Hall/PD led Lighting, Bathroom heater & exhaust fans, Council Room Carpet. 2024 budget is higher than previous years? Correct, not much has been spent on Borough hall over the years, most proposed repairs haven't made it past the final rounds of budget reductions during budget preparations. There are two grants under application for major rehab and repairs to Borough hall, neither requiring matching funds.

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Re-Accreditation line item for 2024 is blank so there was no plan to work with the police to have them re-accredited this year?

01-410-185

The Police Department will be working to become accredited again, filing for re-accreditation is not forecast for 2024 and therefore not a budgeted expense. It is expected to be budgeted for in 2025.

I see the new line items for community policing and Montco SWAT. Where was that line item before?

01-410-190

Range, Training, and general expenses, new lines were created for management and budgeting purposes. What kind of expenses will roll up into this line item? Montco SWAT is a set contracted fee per Municipality (\$3,500) and community policing can be used for expenses that occur performing those tasks. The actual items could vary from Halloween candy, coffee for coffee w/ a cop, badges or awards for child safety etc... You will notice many new lines in the PD budget as information started becoming available to the Borough and appropriate budget lines were utilized to track and manage the expenses.

Contract services line item had increased almost 60%. Since 2018 we have averaged 17k and we forecasted ending 2023 with \$91.4k What is the driver of this increase or what makes up this line item?

01-414-400

Aside from the historical 12K Montco planning contract this increase is seen due to large incoming construction projects and associated costs a will be for Plan reviews, Special inspections and construction observation. Again, aside from the Montco

planning contract these services are typically covered by the construction permits, which you will notice has increased as well.

Engineering Fees reimbursed had a huge jump in 2023 what was the driver of that cost?

01-414-240

Several large Land Development applications. I see that we don't expect that increase again in 2024. **The Borough did not forecast as much Land Development activity for 2024 but we have already received one application and have been notified two more applications are imminent.**

Contract Fees had a jump in 2023, is this the Bellevue? **No.** What else are we expecting in 2024 to have an increase to 61k when previously we have averaged about \$16k

01-414-400

The expected costs for these contracted services in 2024 include MCPC planning contract. Special Inspections, Plan Reviews and or Construction observations at 610 York, 501 Washington Lane, 459/471 York, 93 York and 419 Johnson Street.

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Street crew salaries. How many employees do we have?

01-430-010

Currently 4 FT / 1 PT– 1 Foreman 2 Driver/laborers and 1 laborer, 1 PT Driver/laborer. The 2024 budget includes 1 FT Driver/laborer planned hire. Did we hire the part timer? **The PW PT employee has remained a PT employee thus far.** The part time salary decreased from \$24.8k on 2023 budget to \$11k for 2024 budget. **Correct, the addition of a FT employee would reduce the PT hours.**

What are the engineering services that are under public works?

01-430-310

This would typically be for Engineering in the Public Right of Way or Public spaces. What is the difference between public works Engineering and the Engineering under planning and zoning. **Planning and zoning engineering typically fall outside the right of way and on private property. These are required professional services that the Code department would typically encounter during, pool, retaining wall or fence installations, impervious issues, neighbor complaints, zoning permits, drainage and other safety concerns.** Are there any examples of what kind of Engineering is needed for public works? **It could include town square, ada ramps, paving, drainage, lighting,**

complaints that require an Engineer and assisting PW in resolution of concerns and technical problem-solving solutions.

Equipment Purchase - There is a line item on the trial balance that had debit of \$113k.

In the 2023 year-end report, the Journal Entry you reference represents the matching expense for the 'incoming lease revenue' for the PW F600 dump truck in this amount. What was this for if the 83k was the police car that is now going to public works? PW F600 Dump Truck.

The 83K PD F250 Multi-Use vehicle that you reference has a Journal Entry for that amount representing the matching expense for the 'incoming lease revenue' for what was to be the PD F250 Multi-purpose vehicle. The 'lease revenue received' for these two vehicle purchases did not actually come to the Borough and was instead paid directly to the vendors and will be expensed through the 20 Debt Fund over a five year period.

Following the closeout of the 2023 budget and during the 2024 budget cycle the Borough received a State grant applied for in the amount of 90K for the purchase of the PD F250 Multi-purpose vehicle. The original F250 which had not yet been upfitted with PD vehicle equipment was transferred to the PW department and the PD F250 Multi-purpose vehicle was ordered utilizing the State grant money.

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Package Policy for insurance. What was the cause for 2023 forecasted year end to increase from budget by (\$58,795)

01-486-200

In addition to an increase in premium, this policy renews in August so historically the current budget cycle would include the last six months of the current policy (months 1/6) and the first six months of the new policy period (months 7/12). The new insurance carrier required the entire policy period to be paid in the first six months of the new policy effectively causing 18 months coverage to be paid in one budget cycle.

What is the line item for Police deductible?

01-486-260

This is the general liability deductible for litigation by employees, this was affected by the multiple lawsuits filed by Police Officers. Quotes were being issued with

deductibles in the 50K/100K range. When it was negotiated at 10K it was broken out for tracking and management purposes. It looks like there hasn't been a budget since 2018. **This was not previously broken out.**

Why did we budget uniform medical higher in 2023 budget when we avg \$274k from 2018-2022.

01-487-030

This reported error was due to an excel cell error, employee error and subsequent miscalculation. It was corrected in the 2024 budget.

Non-uniform medical 2024 budget was increased by \$76k from 2023 budget of \$172,894 to 2024 budget of \$249,166. Why?

01-487-031

Anticipation of two budgeted hires (PW and Admin) and associated cost of medical coverage plans.

Non uniform deductible – where was this cost before?

01-487-031

Non-uniform was borne by the employee. This must be a new line item since I don't see this on the Trial balance. Where was this rolled into in prior years? **This was a Policy approved starting in 2024 to bring a form of equity to the non-union employees, offering them a benefit previously only offered to union borough employees.**

\$100k in contingency is that for the Kelly hours?

01-489-300

No, accumulated Kelly Hours are a unfunded liability. Is there back up to this entry? I am not sure I understand this term. What are we anticipating in 2023 to establish the contingency? **The Borough had received two Court ordered real estate tax re-assessment repayments one in the range of 180K and I the Borough was hopeful that with a payment plan the first year (2023) payment would be in the 100K range (it now looks to be closer to 117K after all is said and done due 6/24). The second court ordered real estate tax re=assessment payment was in the 10K range to another commercial property, that must be paid in full in 2023/24.**

What is the back up for the \$40k of reserves which increased from \$20k in 2023 forecasted year end. I see actuals in the past few years under this line item. What expenses are labeled under reserve?

01-489-000

The reserve is for emergencies and emergent unbudgeted expenses that might arise throughout the year. The reasons for these estimates may vary. In 2024 the entire contingency line was committed to two court ordered repayment of real estate tax re-assessment Court rulings. The reserve line does not have any obvious proposed uses at this time.

Refunds of prior year Real Estate Tax – What is this?

01-491-430

Typically, real estate re-assessment Court rulings.

Refunds of prior Act 511 - What is this?

01-491-440

Refunds to tax payers for over payment of Act 511 taxes made to tax administrator.

Year end for 2023 forecast there is a line item for Transfer to Capital. What was this transferred to Capital for? It was for \$120k

01-492-031

There are many moving parts that this was to be available to assist with: expected in late 2023 a 117K payment to Abington Township as Borough portion of funding match on grant work performed on multi-municipal project, payment for 145K leaf trailer that was 90% funded by a PaDep 902 grant expected in April 2024, 20% match of 2 MONTCO 2040 implementation grants (Extension of School Safety Zone & York Road Traffic Claiming Plan, where contractors were paid in full while waiting for reimbursements.

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Pension for Uniform and non uniform – What happened that we over ran budget.

01-492-010, 01-492-020

The 2023-year end reflects both the 2022 and 2023 MMO Uniform and Non-Uniform Pension budget line contributions.

- Uniform increased by 108%
- Non uniform increased by 116%

Street Tax Fund 02

Insurance Recoveries – Why are we budgeting \$12k when the highest we have expensed since 2018 was 2023 with a little over \$1k.

02-389-060

A policy decision was made to begin submitting light pole knockdowns by unidentified or uninsured motorists to the Borough insurance for re-imbusement.

What did we need the loan for – I see it listed on the Debt statement for LED lights. Is this to update all the street lights to LED?

02-471-450, 02-472-450

The only loan I am seeing expensed through the 'Fund 18 Street Tax' was for a PW dump truck and was paid off in 2022. The LED street light loan is expensed through the 'Fund 02 Street Light'.

Fire Apparatus Fund 04

Why is this the only fund that still has milage diverted?

Policy decision to divert tax millage instead of raising taxes during the pandemic. When will this be restored? That is a decision that will be made by Council after a thorough examination of the fund, the boroughs apparatus needs and the boroughs abilities. I can share that the Borough Fire Chief has submitted an initial apparatus needs evaluation and an independent professional assessment is underway to assist in determining and substantiating the future needs and costs of JFD apparatus for capital planning purposes.

What is the new line item for Interfund operation transfers for? Its not even on the Trial Balance. There was \$11k projected to move from Fire Protection fund to the Apparatus fund but didn't happen.

03-492-710 - This interfund transfer line is not a new budget line. There was no transfer made in 2023 so the budget line would not have shown on the 2023 Trial Balance. The \$11K projected to be transferred from the 03 Fire Protection Fund to the 04 Fire Apparatus Fund in 2023 were funds budgeted to Pioneer in 2023 that were found to be unexpended when Borough Fire Chief Lynch assumed the responsibility of both Chief budgets. The initial number discovered was in the \$17K range and it was

determined that any funds remaining at years end would be transferred from the 03 Fire Protection Fund to the 04 Fire Apparatus Fund. The amount estimated to be unexpended was \$11K as shown in the budget. Invoices continued to be submitted through the end of 2023, there were no funds transferred in 2023. The unexpended funds were actually \$5,000 in 2023 and that transfer of funds will occur and appear in the 2024 budget.

\$306k was moved to Capital Fund 31.

04-492-081, 31-392-081

That has been budgeted, it has not been moved. It would only be moved should a Grant to buy a Fire Truck be obtained and then this could be the required match.

When you look at Capital the ending budget only has \$38k remaining. Is the Expenses shown in capital just to show we have the money to even apply for Grants?

I am not sure I understand this question. The expenses shown in the Capital Fund are representative of expenses that would be incurred should a grant for that purpose be applied for, funding be awarded and the grant accepted. What line item is the Grant for the Engine? Public Safety Grant 31-430-731 Is there a break out for the Grants that we are applying for? Yes. There is a list of grant applications that include grants that will definitely be applied for, opportunities that could possibly happen as well as grants that are available but less likely to be applied for unless circumstances were to change. Then there are grants that arise that are applied for that are not listed at the time of the budget adoption. 2024 is a good example of this as the Borough has applied for just under 2 million in funding in the first three months for various projects/procurements when funding became available, and the opportunities had no matching fund requirements. At the present time the Borough has to focus on grant opportunities that have little to no matching fund requirement or in the alternative application must be for a smaller amount to limit matching fund requirement.

Sewer Fund 08

Sewer Rent 2024 budget increased by \$49k from 2023 budget. What is causing this increase?

08-364-01

Sewer rents were increased in 2024 to cover increase in treatment costs, maintenance costs and prepare for upcoming downstream construction project.

What expenses roll up into Sewer treatment and what happened to over run budget by \$56k?

08-429-230

In addition to an increase in treatment fees, Sewer treatment cost is billed quarterly to this line. In 2023 five quarterly payments were made due to timing of billings.

What is the sewer construction that we were budgeting for in 2023 that seemed to not happen?

08-429-750

Settlement of final Construction payment on previous Interceptor A project in Cheltenham (under negotiation) and current relining project with Abington Twp on jointly owned sewer main (project underway).

Soild Waste Fund 09

What is the contracted services and why did we increase the budget almost \$100k from the year end forecast?

09-360-000

Contracted services in the Solid Waste Fund are the fees of the publicly bid contract w/ Republic services for curbside collection and disposal of trash and recycling. There was a contracted cost increase and 13 monthly payments were to be made in that fiscal year.

Debt Fund 20

20-472-350, 20-471-350

Police Car – Interceptor (2018) – what car does this pertain to? **3302**

Police Car (2019) what car does this pertain to? **3304**

Police Car (2020) what car does this pertain to? **3303**

Where is the debt for the Kelly hours?

GENERAL

This is an unfunded liability. All PTO banks for PD personnel are recorded in the scheduling software and are now documented on an excel spreadsheet kept by the Borough. The banks of PTO are not budgeted as a debt in the budget. Kelly hours used are seen in the PD salary line and the cost to cover the employee when off and utilizing Kelly time is shown in the Shift coverage Overtime line when needed. The goal is to eliminate this liability while scheduling the time off without incurring excess OT.

Liquid Fuel Fund 35

What is the \$400k loan that was taken out in 2015?

35-471-200, 35-472-200

Paving of roadways.

General Questions

What kind of report goes to counsel each month, as in comparing actuals to budget on a monthly basis making sure we don't deviate from the budget that is set? **Council normally receives a report provided through the Borough accountant after reconciliation of each month's finances. The reports: Cash Analysis and an Overview of Revenue & Expenditures by Fund, Statement of Revenue & Expenditures – Compared to Budget, Summary of Revenue & Expenditures by Fund, Long Term Debt and a Borough Balance Sheet.**

When is Giant project expected to be complete? **Current schedule is 12/24**

What makes up the basis per household/property to tax Millage?

I asked the Borough Solicitor to provide the answer to this question. George – I think the question is asking how is the property assessment determined, which assessment is used in calculating the property taxes owed? Assuming this to be the case, here would be my suggested response: The amount a property owes for real estate taxes depends on both the tax millage rate and the property's assessed value. The millage rate is approved annually by Council as part of the budgeting process. A property's assessed value (also referred to as its assessment) is determined by the Montgomery County Board of Assessment Appeals and its assessors and not by Municipal Council.

As summarized in the DCED Taxation manual, “In counties of the second class A through eighth class, a chief assessor is appointed by the county commissioners with the advice of the board of assessment appeals or the board of assessment revision, as applicable. The chief assessor, with the approval of the board, will then hire subordinate assessors subject to any applicable county personnel policy and regulations of the board, as are necessary. The chief and subordinate assessors receive compensation as determined by the salary board of the county.”

As also summarized by the DCED Taxation manual, “Assessors are required to value property “according to the actual value thereof and at such rates and prices for which the same would separately bona fide sell.” In arriving at actual value, the price at which any property may actually have been sold shall be considered but shall not be controlling.¹⁶ Instead such selling price, estimated or actual, will be subject to revision by increase or decrease to accomplish equalization with other similar property within the taxing district. “To establish actual value the county may use current year market values or it may adopt a base year for market values. The base year can be the year of the most recent countywide reappraisal or it can be another designated prior year. In arriving at actual value, the county may use all three accepted assessment methods, which include the cost (reproduction or replacement, as applicable less depreciation and all forms of obsolescence), comparable sales and income approaches. However, all three approaches must be used in conjunction with one another. “Once the property is valued the county applies its established predetermined ratio to calculate the assessment. The established predetermined ratio is the ratio of assessed to actual value set by the board of county commissioners. It may be set at up to 100 percent for first through eighth class counties. The county may change the predetermined ratio without revaluing all the properties, retaining the same base year for market values. Such a change constitutes a countywide revision of assessments requiring a notice to all property owners.”

Additional information regarding assessment values and the assessment process can be found on the County’s website under the Board of Assessment:

<https://www.montgomerycountypa.gov/464/Board-of-Assessment-Appeals>

Where are the Kelly hours liability recorded? **All PD PTO current year and banked is tracked with Software and recorded for planning purposes. The Borough is in possession of the Kelly hour records. When used, Kelly time is included in Officer pay line as well as the Overtime line for shift coverage when the Officer is off when that is needed.** Is there a better breakout that rolls up in the officer’s line item? How many sergeants are there? **One.** And how many officers? **Nine FT and one PT?**

On the smeal report page 12 it is recommended “Give due consideration to officer safety when determining staffing.” So why would we even consider one officer per shift. **Part of any cost benefit analysis of staffing would include due consideration to officer safety.**

On the smeal report page 12 it is recommended “an 8 hour schedule” this will help remove the Kelly hours reduce shift coverage and OT. Has this been brought up in negotiations? **We are unable to discuss particulars of negotiations as the PBA has filed for interest arbitration in place of negotiating with the Borough, but I can share that a change to 8-hour shifts is among a litany of ideas that the PBA unequivocally has/does not support changing regardless of the benefit to the Borough or the sustainability of the Department.**