

2021 BUDGET STATEMENT
SPRINGFIELD TOWNSHIP, MONTGOMERY COUNTY, PA

The Springfield Township Board of Commissioners proposes a balanced operating budget for 2021 of \$17,223,096 with a real estate tax rate of 4.516 mills and an earned income tax rate of 1.0%.

2021 REAL ESTATE TAX RATE

General Purpose Tax (Max. 30 Mills)	4.516 Mills
Court Approved (Max. 5 Mills)	0 Mills
Special Purpose Taxes	<u>0 Mills</u>
	4.516 Mills

To summarize the impact on the “typical” residential taxpayer as a result of the 2021 budget projections, the taxpayer will realize in increase of \$13.15 to their 2021 real estate tax, and an increase of \$8.62 associated with the refuse service fee. The 2020 real estate tax was the same as in 2019, and the 2020 refuse service fee was \$9.10 more than the 2019 refuse service fee.

The “typical” household in Springfield Township with a \$175,400 property assessment will pay \$792.10 in real estate taxes in 2021, which is an increase of \$13.15, or 1.7% more than in 2020. The increase to the real estate tax is necessary due to contractual increases to employee wages and benefits, contributions to the volunteer fire companies, and a decrease in revenues associated with interest and rental income. These costs are offset to some extent by reductions in capital project expenses, debt service payments and health insurance premiums.

The 2021 discounted refuse service fee will increase from \$223.24 to \$231.86, or 3.9% per household due to increases in both the waste and recycling disposal fees, together with more modest increases in employee wages. The resource recovery plant where the solid waste collected by the Township is converted to energy is increasing the waste disposal fees charged to the Township by \$1.19 per ton. In addition, the average monthly cost to process and market single stream recyclables is projected to increase by over \$40 per ton in 2021. The amount of household refuse and recyclables collected by the Township has remained about the same as in prior years, and the Township has reduced its operating and capital costs for 2021 to absorb some of the costs associated with the recycling program. However, the costs charged to the Township to transport and process recyclable materials has increased dramatically over prior years. In addition, the market for sorted materials continues to be negatively impacted by restrictions imposed by the Chinese government banning the import of certain recyclable materials.

The Township will continue to fund its general budgetary obligations through traditional revenue sources such as real state tax, earned income tax, real estate transfer tax, mercantile and business privilege tax, licenses and permits, fines and department earnings. In 2019 a local services tax was enacted whereby individuals employed within Springfield Township now pay \$1 per week or \$52 annually through a payroll deduction. Those who do not earn more than \$12,000 annually are exempt from the tax. The Township anticipates the receipt of an additional \$25,000 in revenues from the local services tax in 2021.

The 2021 preliminary budget will be made available for inspection in the office of the Township Manager, 1510 Paper Mill Road, Wyndmoor, and in the Township Library, 8900 Hawthorne Lane, Wyndmoor, beginning 5:00 PM on November 13, 2020. The 2021 preliminary budget will also be posted to the Township website on or before the above date. Summary copies of the budget are also available upon request. The Board of Commissioners will accept questions and comments on the Budget at their workshop meeting on December 7, 2020 at 7:00 PM and again as a part of a budget hearing and budget adoption on December 9, 2020 at 7:30 PM. All aforementioned meetings will be held via the Zoom virtual meeting platform unless otherwise advertised in advance.

AMT:cmt
11/4/20