



pennsylvania

GOVERNOR'S CENTER FOR
LOCAL GOVERNMENT SERVICES

FINANCIAL EVALUATION REPORT ADMINISTRATIVE TECHNICAL ASSISTANCE

**UNION TOWNSHIP
WASHINGTON COUNTY, PENNSYLVANIA**

REPORT PREPARED FOR:

UNION TOWNSHIP BOARD OF SUPERVISORS

PROFESSIONAL ASSISTANCE PROVIDED BY:

DEBORAH J. GRASS, POLICY SPECIALIST

AND

MICHAEL S. FOREMAN, POLICY SPECIALIST

**PRELIMINARY REPORT
SEPTEMBER 26, 2005**

**COMMONWEALTH OF PENNSYLVANIA
EDWARD G. RENDELL, GOVERNOR**

**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DENNIS YABLONSKY, SECRETARY**

**GOVERNOR'S CENTER FOR LOCAL GOVERNMENT SERVICES
FRED REDDIG, EXECUTIVE DIRECTOR**

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**FINANCIAL SUMMARY REPORT
UNION TOWNSHIP
1. SCOPE OF SERVICES**

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
GOVERNOR'S CENTER FOR LOCAL GOVERNMENT SERVICES

PEER ASSISTANCE PROGRAM

UNION TOWNSHIP, WASHINGTON COUNTY

FINANCIAL EVALUATION AND ADMINISTRATIVE TECHNICAL ASSISTANCE

SCOPE OF SERVICES

The Township of Union, Washington County has requested technical assistance from the Department of Community and Economic Development, Governor's Center for Local Government Services, through the Peer Assistance Program, by action of the Board of Supervisors in approving a Letter of Intent dated March 14, 2005.

A qualified peer consultant, Deborah J. Grass, municipal management and finance consultant, was selected to carry out this scope of services under the auspices of the Governor's Center for Local Government Services.

The scope of services to conduct a financial evaluation includes the following elements:

- 1) Conduct a review and evaluation of the current financial condition through 2005 including a year-end cash flow projection.
- 2) Develop financial projections of anticipated revenue and expenditures for fiscal years 2006 and 2007 including every major revenue and expenditure category.
- 3) Review and evaluate actual financial performance for fiscal years 2000, 2001, 2002, 2003 and 2004 to develop a trend analysis.
- 4) Develop an approach and strategy to address any projected revenue shortfall and excess in expenditures for fiscal years 2005, 2006 and 2007.
- 5) Develop recommendations to increase revenue and contain costs to maintain financial solvency and viability to avoid a future fiscal crisis.
- 6) Work with and advise the Township Board of Supervisors on financial management matters to address the current fiscal situation.

The peer consultant will provide a report including financial trends and projections, and findings and recommendations that will be presented to the Board of Supervisors at a mutually agreeable time and date. The expected completion date is no later than August 31, 2005 to complete the above scope of services.

In addition, the scope of services includes technical assistance in the following administrative duties and responsibilities:

- 1) Review payroll process, including monthly and quarterly filing of withholdings with federal, state and local government agencies and payment of unemployment compensation.
- 2) Review meeting minutes.
- 3) Review purchasing process including informal bidding, sealed competitive bidding and professional services (RFP).
- 4) Review filing of various State forms annually including the annual audit and financial report.
- 5) Review budget process including development, monitoring and management.
- 6) Review accounting system including closing out fiscal year.
- 7) Review Public Records law and process to request public records.
- 8) Review Sunshine law and advertisement of meetings and rules for the conduct of meetings.
- 9) Review record retention and disposition schedule.

The peer consultant will provide a summary report to the Governor's Center for Local Government Services of the technical assistance provided to the Secretary/Treasurer at the completion of the administrative scope of services. Administrative technical assistance will begin in April 2005 with an expected completion date being no later than June 30, 2005.

A total of one hundred (100) hours is allocated to the peer consultant to complete both scopes of services.

SIGNATURES

X Stephen Parish
(Stephen Parish-Chair-Board of Supervisors)

4-4-05
(Date)

X Monica S. Cunningham
(Monica S. Cunningham-Secretary/Treasurer)

4-4-05
(Date)

X Deborah J. Grass
(Deborah J. Grass-Peer Consultant)
4/4/05
(Date)

X Michael Foreman
(Michael Foreman-Center for Local Government Services)
4-4-2005
(Date)

<p style="text-align:center">FINANCIAL SUMMARY REPORT UNION TOWNSHIP 2. INTRODUCTION AND BACKGROUND</p>
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BACKGROUND INFORMATION

UNION TOWNSHIP was established under the Second Class Township Code of the Commonwealth of PA in 1836 from Peters Township and Nottingham Township. The Township is governed by a five (5) member Board of Supervisors who are elected at large and serve for six year terms. The primary responsibilities and authority vested with the Board of Supervisors under the Code are the health, safety and welfare of the residents and the maintenance and construction of public roads. The Township currently operates with a Secretary-Manager, Road Department, and a Zoning/Code Officer. (NOTE: The Township Police Department, made up of eight (8) full time officers was disbanded by an Ordinance of Council effective July 9, 2005. This service is currently provided by the PA State Police.) Fire service is provided by an all volunteer fire company.

Census 2000 Base Data: Union Township, population 5,677, is a rural community that sprawls across 15.4 miles of area in northeastern Washington County and is approximately nineteen (19) miles south of the City of Pittsburgh. The Township shares borders with Finleyville, Peters, Nottingham, New Eagle, Monongahela, Carroll, and Donora in Washington County and Forward and Jefferson Hills in Allegheny County. (See map in Appendix A)

According to the 2000 census:

- The median age of the population is 41.8 years. This is slightly older than the median age in Washington County and about the same as Canton Township, and Hanover Township in Washington County and Forward Township in Allegheny County.
- Only 17.8% of the residents in the Township are over the age of sixty-five (65). This is about the same as Washington County and much lower than Fallowfield Township (22.6%) and North Franklin Township (24.8%).
- Union lost about 723 in population from 1990 to 2000. Although all of the comparison communities lost population (including Washington County) during that time period, Union Township lost more population as a percentage than any of the other comparison communities.

- The median family income is \$50,858, which is higher than Washington County's median family income of \$ 47,287.
- About 5% of individuals and 3.2% of families in Union Township are below the poverty level. This number is lower than the 9.8% of individuals and 6.9% of families at poverty or below poverty level status in Washington County.
- The median value of an owner occupied single family home in Union Township is \$95,100 and 10.5% of the housing units in Union are rental properties. The average in Washington County is \$87,500.

(See complete Census Demographic Profile for Union Township in Appendix B.)

Business and Industry Data:

- According to data provided to the US Census Bureau the construction industry is, by far, the largest economic sector in Union Township in both number of establishments and number of employees. This sector makes up about 23% of the Townships business and industry base.
- The second largest number of business and industry establishments are in the retail trade sector, making up 13.8% of the business activity.
- Administrative, support and other services make up another 20% of the business sector in Union Township
- Overall, the Township has added 25 new establishments and seen an increase in annual payroll from \$14 million in 1997 to \$39 million in 2002 and an increase in employees from 754 in 1997 to 1,702 employees in 2002. This equates to a 40% increase in activity over five (5) years.

This industry trend is a positive factor for future development and a strengthening tax base for future periods. It should be noted that the sectors that demonstrate increases over the past five (5) years are those where salaries and benefits are expected to be above average, thus, increasing the purchasing power and stability for the Township. Exhibit 3 is a complete review of industry code activity reported to the US Census over a five (5) year period from 1997 through 2002. This is the latest information available from the Census Bureau.

FINDINGS

The Township has experienced a population decline (11%), in the past decade that is higher than any of the other communities in Washington County. It has a lower than

average senior citizen population relative to its surrounding communities and is about the same as Washington County. The poverty level is low and the median income is relatively high. The property values in Union Township are holding well and even increasing at a healthy rate. Unfortunately, the Washington County assessments are so outdated that they do not reflect market increases. In addition, the assessments are made at a predetermined ratio of 25% which further limits revenue that can be generated from this source. Most residents in Union Township own their own housing units – only about 10.5% are rental units. This should produce a strong commitment to community and interest in the upkeep and maintenance of neighborhoods in the Township.

The Township has a strong and diverse business and industry base. The construction industry is, by far, the largest sector of the economy in Union Township with the service industry and retail trade demonstrating important activity for the Township's tax base. The increase in new business establishments and the growing annual payroll and employees are important positive indicators for the Township's future. The Township is also experiencing the "development drift" of retail establishments from Allegheny County that is being experienced by many of the communities in northern Washington County. This growth is happening for a number of reasons including the perceived tax advantages in Washington County and the planned development of the southern beltway.

For this reason, it will become increasingly important for the Township to structure its government and service delivery to the proper levels for addressing increased development and economic activity in the Township. It is absolutely necessary for the Township to put the proper planning and development tools in place in order to plan for increasing development activity in both the residential and commercial areas. The Township has taken an important step for addressing the anticipated growth and development through its participation in a multi-municipal Comprehensive Plan with Carroll Township, Nottingham Township and the Borough of Finleyville. The comprehensive planning process will help to identify trends, assess strengths and weaknesses of the region, and provide guidelines for the Township's planning and development process. Ultimately, responsible growth in the Township will provide a stronger and more stable tax base for the community. A stronger tax base and a more efficient government operation is fundamental to providing stability and financial security for the future provision of local government services and the maintenance of adequate infrastructure and facilities.

UNION TOWNSHIP
2005 FINANCE DOCUMENT

**2000 CENSUS INFORMATION
COMPARATIVE POPULATION AND AGE DISTRIBUTION**

	Carroll Township	Canton Township	Fallowfield Township	Forward Township	Hanover Township	No. Franklin Township	Union Township	Washington County
Pop 2000	5677	8826	4461	3771	2795	4818	5599	202897
Pop 1990	6210	9256	4972	3877	2883	4997	6322	204584
(+/-)	-533	-430	-511	-106	-88	-179	-723	-1687
Under 5	4.1%	6.0%	4.1%	4.5%	5.4%	4.6%	4.9%	5.5%
5-9	5.2%	6.5%	5.1%	7.2%	6.8%	5.1%	6.1%	6.3%
10-14	6.2%	6.2%	5.3%	6.6%	5.8%	6.4%	6.4%	6.5%
15-19	5.9%	6.0%	6.5%	6.3%	5.5%	6.2%	5.4%	6.4%
20-24	3.2%	4.9%	4.8%	3.5%	3.6%	3.9%	3.9%	5.2%
25-44	24.0%	28.1%	24.7%	27.6%	29.1%	23.2%	28.6%	27.1%
45-54	16.1%	14.6%	17.9%	14.3%	14.7%	15.0%	16.2%	15.0%
55-59	5.5%	5.6%	5.8%	5.9%	6.3%	5.8%	5.7%	5.4%
60-64	5.2%	5.6%	5.1%	5.2%	6.0%	4.9%	5.1%	4.6%
65-74	12.5%	9.4%	10.4%	11.1%	9.9%	11.1%	9.7%	8.9%
75-84	9.5%	5.7%	8.5%	6.5%	5.2%	9.0%	6.5%	7.0%
85 +	2.7%	1.6%	1.9%	1.3%	1.6%	4.7%	1.6%	2.1%
Median	45.8	40.5	44.8	41.9	41.6	45.4	41.8	40.8
Under 18	19.6%	22.6%	18.4%	22.4%	21.6%	20.4%	21.0%	22.2%
65 +	24.7%	16.6%	20.8%	18.9%	16.7%	24.8%	17.8%	17.9%

2005 FINANCE DOCUMENT

	Canton		Carroll		Fallowfield		Forward		Hanover		No. Franklin		Union	
	Township		Township		Township		Township		Township		Township		Township	
Population	8826		5677		4461		3771		2795		4818		5599	
Total Assessed Value *****	\$45,699,829	\$32,913,014	\$22,100,933	\$137,070,302	\$15,291,656	\$30,537,942	\$33,369,398		\$14,885		\$21,4		\$14,065	
Median Assessed Value *	\$12,120	\$14,040	\$11,770	\$43,600	\$13,605	\$14,885								
County Tax Rate **	21.4	21.4	21.4	4.69	21.4	21.4								
Municipal Tax Rate ****	4.5	6.6	2	1.95	4	15								
School District Tax Rate ****	105	105	111	21.36	96	105								
Total Tax Burden (mills)	130.90	133.00	134.40	28.00	121.40	141.40								
Average Total Tax Bill	\$1,586.51	\$1,867.32	\$1,581.89	\$1,220.80	\$1,651.61	\$2,104.74							\$1,946.60	
Per Capita Income (\$)	\$ 15,420	\$ 20,380	\$ 18,565	\$ 19,860	\$ 19,722	\$ 20,654							\$ 19,560	
Median Family Income	\$ 40,014	\$ 52,526	\$ 45,750	\$ 19,860	\$ 51,014	\$ 51,097							\$ 50,858	
Median Household Income	\$ 31,625	\$ 43,347	\$ 41,943	\$ 45,774	\$ 42,563	\$ 37,516							\$ 41,962	
Persons Below Poverty Level	1,225	357	180	453	258	536							272	
Families Below Poverty Level	269	82	48	110	58	95							53	
High School Graduates	4,574	3693	2851	2339	1605	2992							3498	
College Graduates	722	863	517	330	302	602							482	
Median Value - Owner Occ	\$ 84,700	\$ 87,100	\$ 78,300	\$ 79,000	\$ 85,300	\$ 99,400							\$ 95,100	
Median Gross Rent (\$)	\$ 435	\$ 555	\$ 421	\$ 446	\$ 434	\$ 348							\$ 499	
Renter Occupied Housing Units	594	178	126	159	152	501							223	
Persons Over Age of 65 (%)	17%	25%	21%	12%	17%	25%							18%	
Total Revenue	\$927,018	\$1,068,008	\$825,479	\$1,149,969	\$1,294,004	\$1,325,901							\$1,497,873	
RE Tax Collection	\$203,091	\$156,624	\$380,585	\$239,355	\$59,494	\$443,429							\$293,673	
RE Tax - % of Total	21.9%	14.7%	46.1%	20.8%	4.6%	33.4%							19.6%	
Earned Income Tax	\$460,404	\$428,898	\$309,710	\$185,966	\$213,471	\$309,036							\$407,358	
EIT - % of Total	49.7%	40.2%	37.5%	16.2%	16.5%	23.3%							27.2%	
Total Expenditures	\$1,337,636	\$1,152,786	\$1,226,839	\$1,157,401	\$1,407,967	\$1,429,623							\$1,593,703	
Police Department	\$0	\$242,073	\$171,906	\$267,268	\$252,066	\$601,108							\$577,098	
Number F/T-Officers	0	3	1	5	0	8							5	
Number P/T-Officers	0	9	0	2	7	0							0	
Police - % of Total	0.0%	21.0%	14.0%	23.1%	17.9%	42.0%							36.2%	
Fire Service	\$66,849	\$25,936	\$78,052	\$46,210	\$53,911	\$77,564							\$267,846	
Fire - % of Total	5.0%	2.2%	6.4%	4.0%	3.8%	5.4%							1.7%	
Public Works	\$226,709	\$326,501	\$550,767	\$272,063	\$610,988	\$248,226							\$337,199	
DPW - % of Total	16.9%	28.3%	44.9%	23.5%	43.4%	17.4%							21.2%	
Total F/T Employees	7	8	11	8	6	12							0	
Total P/T Employees	0	14	0	4	10	2							0	

SOURCES: * Allegheny County Website - Municipal Tax Maps - 2005 Tax Rates

** DCED Municipal Statistics Website - 2002 Budget Data

*** 2000 Census Data - State Data Center

**** Washington County Website 2004-2005 Milage Rates

UNION TOWNSHIP
2005 FINANCE DOCUMENT

UNION TOWNSHIP BUSINESS AND INDUSTRY CODE DATA NUMBER OF ESTABLISHMENTS BY ZIP CODE 15332							
	1997	1998	1999	2000	2001	2002	Gain/Loss
Mining	0	0	0	1	1	0	0.0%
Forestry, fishing, hunting, agriculture	1	1	1	1	2	2	1.4%
Utilities	1	1	1	1	1	1	0.7%
Construction	34	38	40	37	36	34	23.4%
Manufacturing	4	7	6	6	6	6	4.1%
Wholesale Trade	12	10	8	9	10	10	6.9%
Retail Trade	26	17	17	18	16	20	13.8%
Transportation & Warehousing	0	3	3	5	5	5	3.4%
Information	0	1	1	1	2	2	1.4%
Finance & Insurance	8	3	3	2	3	3	2.1%
Real Estate, Rental, Leasing	0	4	3	3	3	6	4.1%
Professional, Scientific, Technical	2	4	4	3	3	5	3.4%
Admin, Support, Waste Mgt, Remediat	5	11	11	13	12	13	9.0%
Educational services	2	2	2	2	2	0	0.0%
Health Care & Social Services	7	6	5	7	7	8	5.5%
Arts, Entertainment, Recreation	1	2	2	2	2	3	2.1%
Accommodation, Food Services	9	12	11	10	11	11	7.6%
Other Services (except public adm)	5	15	16	18	16	15	10.3%
Unclassified Establishments	3	0	5	2	1	1	0.7%
TOTAL Establishments	120	137	139	141	139	145	100.0%
Annual Payroll	\$ 14,319,000	\$ 15,982,000	\$ 17,897,000	\$ 20,041,000	\$ 21,703,000	\$ 39,305,000	\$ 7,384,000
Number of Employees	754	815	930	1033	1206	1702	452

SOURCE: US Census Bureau - Industry Code Summary - 15332
Department of Commerce