

18 December 2022

Dear Neighbors,

We are pleased to provide this letter to accompany the Borough's draft budget for 2023. The budget draft is available for your review online and in the Borough Office. Council will review the budget again at our meeting on Tuesday, December 6th before voting to approve a final budget on Monday, December 19th at our final meeting of the year.

Our borough remains financially strong, sustainable, and resilient as we enter 2023.

Over the past year:

- Borough Hall rentals rebounded significantly in this past year
- Collection of past due taxes and fees by our diligent office staff have ensured resources are returned to the borough's community
- This year the borough has secured \$510,000 in county and state grants for the redevelopment of Triangle Park that will help make our Triangle Park Master Plan a reality. Additionally in 2022 the Borough will submit applications for another \$960,000 in county and state funding for additional Triangle Park redevelopment and related stormwater infrastructure.

Challenges remain, however. As we plan for the future of our borough, we're mindful that we'll need to keep in mind:

- It may be a few more years before Borough Hall rental revenues return to pre-pandemic levels
- Operational costs have increased and budget adjustments are necessary to keep pace
- We will continue to see rising service costs, especially for waste removal

Our proposed 2023 budget includes adjustments that reflect these financial considerations, including:

- Increases to operational staffing costs
- Increases in costs for police, fire, and insurance
- Conservative estimates on revenues from hall rentals and home sales
- Continued funding of capital reserves to support project development and grant matches

To manage the increases in operational costs while ensuring our borough's ability to leverage grants to rebuild our community assets and infrastructure, we are forecasting a modest increase to borough tax rates from a millage rate of 3.07 to 3.35. The average household increase from this rate change will be \$65. The last increase to borough taxes occurred in 2020. Like that increase, our aim remains to keep increases modest, but to make these changes in a way that is realistic, doesn't prevent us from seizing grant opportunities, and that require us to raise tax rates only when absolutely necessary to meet our shared needs as a community.

Below are the highlights of the proposed 2023 Budget divided into the three components of your tax bill:

1. **Borough Taxes:** This is based on individual property assessments. The borough millage rate will increase from 3.07 to 3.35.
2. **Trash Service Fee:** This is a flat per household fee. This consists of the contracted rate for hauling the trash and recycling plus the trash and recycling disposal fees.

- a. We are just completing the first year of a two year contract. We will continue to monitor pricing in the coming year to look at options to try and minimize the costs. This is why we are pursuing a short 2 year contract.
- b. Delaware County Solid Waste Authority will be increasing dumping or “tipping” fees again in 2023. This is a direct cost billed to the Borough monthly. This is due to the high cost of expanding their landfill and the uncertainty of the contract with the Covanta Incinerator in Chester.
- c. The continued increase in waste tonnage produced by Rutledge. This is the third year in a row where we have seen a large increase in tonnage coming from Rutledge. Year over year the tonnage is up 16%.
- d. We are continuing with a limited number of yard waste pickups to try and cut down on the trash tonnage.

Why are trash fees going up, and what can we do about it? There is little the Borough can do to address hauling and disposal costs beyond following best practice by bidding out this contract through a public process and selecting the best bid. However, **we can address the issue of how much waste we produce.** The Borough Office has been tracking monthly tonnage. Like many municipalities, 2020 saw a dramatic increase in total waste produced as more families stayed home, and therefore created more waste. In the last 2 years the tonnage is up 32%. This is why the Borough is exploring options to redirect as much waste as possible out of this disposal stream - including establishing yard waste pick up and capping bulk waste disposal.

The projected 2023 trash rate is \$585.89 per household, up \$533.44 in 2022.

3. Sewer Usage Fee: This is also a flat fee per household. The vast majority of this fee is paid to Central Delaware County Authority (CDCA) to process our wastewater. This is charged per gallon and is measured as the flow leaves our borough. The fees from CDCA continue to increase for 2022. The Borough’s total flow was flat for 2022.

The projected 2023 rate is \$642.79 per household, up from \$516.35 in 2021 and from \$606.98 in 2022.

We welcome your questions, comments, and feedback on the borough budget. You can share those thoughts and ideas with us electronically by sending a note to rutledgemanager@gmail.com, in writing (just drop-off your note at the borough office), or in person.

Sincerely,

Jody A. Roberts, Council President

Heidi Sentivan, Finance Committee Chair