

PRESS RELEASE 12/4/17

Tax Increase for Evans City in 2018

EVANS CITY :Taxes in Evans City will increase by 5 mills for 2018.

This increase follows 4 years of a reduced tax rate of 2.88 mills from 22.88 to 20 mills. The tax reduction was implemented to help offset the projected increase in water and sewer charges needed to pay for the new \$10 M waste treatment plant. At the time of the reduction, Evans City was tied for the highest millage charges in Butler County. The tax reduction was also undertaken to stimulate growth in the borough. During 2015, 2016 and 2017, concerted efforts were taken to reduce the borough expenses which resulted in a \$300,000 cost savings for the residents.

For 2018, the total projected revenue for Evans City borough is \$869,763. Real estate tax revenue will be approximately \$225,000. Evans City's other sources of revenue are EIT (Earned Income Tax) at approximately \$190,000 and the sale of water and sewer assets of \$205,000 per year (equivalent to 21 mills) to the Evans City Water & Sewer Authority. It is important to note that the sale of these assets will be completed in approximately 23 years and this revenue stream will disappear. It cannot be replaced by raising taxes. Evans City will need to prepare for this event.

Evans City Borough expenses are expected to rise this year by 12% over 2016 actuals due to a recently signed police contract and a proposed union contract increase for the street department employees. The increase of police expenses is \$27,000 or equivalent to 2.8 mills. The increase of expenses due to storm water management costs is \$25,000 or equivalent to 2.3 mills. This cost is occurring in response to the MS4 requirements from Governor Wolf's DEP. In addition costs have increased across the board for materials, supplies, insurance, etc.

The Evans City street department budget is \$195,000 or 22% of the overall budget. The borough's largest expense will be the police department budget of approximately \$342,500 or 39.4% of the borough budget. The borough shares their police department with Seven Fields borough and the Seven Fields portion of the overall police department budget of \$728,645 is \$386,145. Administratively the borough shares a secretary with the Evans City/Seven Fields police department. When the shared police department was proposed, the estimated budget for 2013 was \$495,856 with Evans City's cost at \$233,052. This year's estimate, five years later has increased by \$109,448.

The planned tax increase will be 5 mills. 1 mill of the Evans City tax revenue is paid to the fire department with a proposed increase of ½ mill for a total of 1.5 mills in 2018. The remaining 4.5 mill increase will be for the general fund.

We also expect to have more tax increases or cuts in services in the coming years. If the borough's delegation to the police commission works in unison, costs can be controlled to avoid more tax increases.