

GOVERNMENT PROFILE

The overall structure of government is similar in Bally and Bechtelsville. Each municipality is a borough governed by a seven-member borough council and a mayor. In each case, borough council members and the mayor are elected at large for four-year terms. Both Bally and Bechtelsville have five-member planning commissions to advise their governing body. The planning commissions in both Bally and Bechtelsville deal with historic preservation issues in addition to planning and zoning matters; neither Bally nor Bechtelsville has a historic commission. Bally and Bechtelsville each maintains a three-member zoning hearing board.

Bechtelsville has a seven-member Recreation Board. Bally has a committee to advise borough council on park and recreation matters. This committee includes both members of council and non-members, and it varies in size depending on the matters being considered.

Bally and Bechtelsville each retains a solicitor. Bechtelsville also retains a municipal engineer, while Bally contracts for engineering services on a project-by-project basis. A full-time manager/secretary administers daily operations in Bally. Bechtelsville employs a part-time secretary/treasurer to oversee borough administration.

The Bally Borough municipal building is on Chestnut Street between Fourth and Fifth Streets, adjacent to Bally's community park. The building was recently renovated and contains a senior center, in addition to the municipal meeting room. Bally's business or "operational" office is located at the Bally

Municipal Authority Sewage Treatment Plant. Bechtelsville recently renovated the former Bechtelsville Railroad Station at East Chestnut and Railroad Streets to use as a new borough hall. The new facility opened for official use in September, 1993.

MUNICIPAL FINANCES

The two charts on the following pages (III-4-7) show general fund revenues and expenditures for Bally and Bechtelsville Boroughs for the 1988 to 1992 five-year period. This information and the accompanying text provide a summary view of each municipality's spending priorities and government funding sources.

BALLY BOROUGH

Revenues

Service charges have been Bally's largest revenue source over the 1988 to 1992 five-year period. Service charges accounted for 46.4 percent of all general fund revenues in 1988 and increased to 53.3 percent in 1992. Bally's public water & sewer user fees and admission fees to the Borough-owned swimming pool comprise the majority of the municipality's service charge revenues.

Taxes are Bally's second largest revenue source, providing 28.7 percent of all general fund revenues in 1992. Bally's 24-mill real estate tax and its 0.5 percent earned income levy produce most of the Borough's tax funds. (The earned income tax is

actually 1 percent; Bally divides all revenues collected in the Borough with the Boyertown School District.) A \$10 per capita charge on all residents 18 years or older, a \$5 occupational privilege tax on people who work in the Borough and the Borough's one-half share of Berks County's 1.0 percent real estate transfer tax provide the remainder of Bally's tax revenues.

Intergovernmental transfers are Bally's third largest revenue source. This category includes the Borough's liquid fuels reimbursement from the State and federal community development block grant funds received through Berks County. Intergovernmental revenues accounted for 13.4 percent of total general fund revenues in 1992.

Licenses & Permits, Fines & Forfeits, Interest, Rents & Royalties, and Miscellaneous Funds are the Borough's other general fund revenue categories. However, these sources are minor contributors to Bally's overall income. None of these sources accounted for more than 1.9 percent of total municipal revenues in 1992.

Expenditures

Bally spends the largest proportion of its general fund budget on operating and maintaining its Borough-owned water and sewer systems. Public water and sewer costs (recorded as Other Financing Uses in the annual audit report) comprised 49.3 percent of general fund expenditures in 1988 and increased to 56.0 percent in 1992.

General Government expenditures and Public Safety costs are Bally's next largest spending categories. General Government

refers to all of the Borough's administrative expenses, including clerical costs, legal fees and engineering costs related to ongoing infiltration-inflow (I&I) problems in Bally's public sewers. General Government expenditures were 20.4 percent of Bally's total spending in 1988 and 17.4 percent in 1992. Annual fluctuations in this line item over the five-year period have been primarily related to the amount of I&I work the Borough undertakes in a given year.

Public Safety expenditures reflect the costs of municipal police and fire protection. Public safety costs accounted for 14.0 percent of Bally's general fund spending in 1988 and 14.7 percent in 1992.

Debt service payments on municipal loans represented 11.7 percent of Bally's general fund expenditures in 1992. The Borough has been retiring this debt in \$41,000 annual increments since 1989. Culture and Recreation comprised 8.3 percent of all Bally's general fund costs in 1992.

Highways, Roads and Streets, and the Borough's Miscellaneous Expenditures are Bally's two remaining spending categories. These two line items accounted for 1.7 percent and 1.9 percent respectively of Bally's general fund expenditures in 1992.

BECHTELSTVILLE

Revenues

Tax revenues comprised 63.0 percent of Bechtelsville's general fund revenues in 1992. This percentage is somewhat less than

the proportion of all revenues attributable to taxes in 1988 (74.6 percent). However, taxes are still Bechtelsville's largest revenue producer, as they have been throughout the 1988-1992 five-year period.

Bechtelsville divides receipts from a 1 percent earned income tax with the Boyertown School District. These revenues provided almost half of the Borough's tax income in 1992. Bechtelsville's 28-mill real estate tax accounted for most of the Borough's remaining tax revenues. A \$5 per capita tax on persons 18 years or older, a \$5 occupational privilege tax and the Borough's one-half share of Berks County's 1 percent real estate transfer tax provide the remaining tax revenues.

Income from long-term borrowing (shown as Miscellaneous & Other Revenues on the accompanying chart) was Bechtelsville's second largest revenue source in 1992, providing 17.2 percent of all Borough revenues. Service charges, Bechtelsville's third largest revenue source, accounted for 12.4 percent of the Borough's 1992 general revenue sources. These service charges included fees for subdivision review, building permits and sewer connections and similar charges. The Borough's Recreational Improvement and Rehabilitation Act (RIRA) grant from the PA. Department of Community Affairs was also listed under this budget category in 1992.

Intergovernmental Revenues accounted for 2.9 percent of Bechtelsville's total general fund revenues in 1992. These funds consist primarily of the Borough's liquid fuels tax reimbursement from the State. Licenses & Permits, Fines & Forfeits and, Interest, Rents and Royalties provide the remainder of Bechtelsville's general fund revenues. These sources combined

to represent less than 5.0 percent of the Borough's general fund revenues in 1992.

Expenditures

General Government was Bechtelsville's largest expenditure during most of the 1988 to 1992 five-year period. General Government includes engineering and legal fees, office administration and tax collection costs. In 1992, this category also included the costs of rehabilitating the former Bechtelsville Railroad Station for the new Borough Hall. The General Government category accounted for 39 percent of general funds spent in 1992, a slight increase over 1988 (31.6 percent).

Public Safety expenditures, which reflect police and fire protection costs, are typically Bechtelsville's second largest annual expense. Public Safety was responsible for 28.6 percent of all general fund expenses in 1992. This was a slight proportional decrease from 1988 when Public Safety comprised 29.8 percent of Bechtelsville's total general fund costs.

Culture and Recreation accounted for 17.2 percent of Bechtelsville's general fund expenses in 1992. This is primarily attributable to the reconstructed tennis courts, new pavilion roof and other improvements the Borough constructed in Bechtelsville Community Park during 1992. Culture and Recreation comprised between 5.2 percent and 8.5 percent of Bechtelsville's annual general fund expenditures between 1988 and 1991.

Bechtelsville spent 5.4 percent of its 1992 general fund budget on Streets, Roads and Highways. This is considerably less than

in previous years, during which major road improvement projects were completed. The Borough allocated 5.0 percent of its 1992 general funds to retire municipal debt. The Borough's

remaining two budgets categories, Health & Welfare and Miscellaneous Expenses, totaled 4.8 percent of all general fund spending in 1992.

BALLY BOROUGH AND BECHTELSTVILLE BOROUGH GENERAL FUND REVENUES - 1988-1992												
	1988				1989				1990			
	Bally		Bechtelsville		Bally		Bechtelsville		Bally		Bechtelsville	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Fund Balance, January 1	208,961	-	80,053	-	182,845	-	66,726	-	160,417	-	65,974	-
REVENUES												
Taxes	132,088	35.5	101,142	77.2	134,900	37.5	104,586	65.6	135,960	31.1	114,755	74.6
Licenses & Permits	1,450	0.4	0	0	3,525	1.0	2,754	1.7	3,950	0.9	3,229	2.1
Fines & Forfeits	3,000	0.8	2,957	2.2	3,000	0.8	1,814	1.1	3,000	0.7	3,526	2.2
Interest, Rents & Royalties	6,440	1.7	6,758	5.2	14,518	4.0	4,705	2.9	7,890	1.8	5,165	3.4
Intergovernmental Revenues	12,226	3.3	1,267	1.0	21,500	6.0	17,843	11.2	60,122	13.8	4,251	2.8
Charges for Services	172,880	46.4	18,708	14.3	181,280	50.4	11,769	7.4	225,671	51.7	16,120	10.5
Miscellaneous & Other Revenues	44,370	11.9	121	0.1	1,050	0.3	16,024	10.1	0	0	6,788	4.4
Total Revenues & Other Sources	372,454	100.0	130,953	100.0	359,773	100.0	159,495	100.0	436,593	100.0	153,834	100.0
Total Revenues and Fund Equity	581,415	-	211,006	-	542,618	-	226,221	-	597,010	-	219,808	-

SOURCE: Commonwealth of Pennsylvania Annual Audit and Financial Reports

BALLY BOROUGH AND BECHTELSTVILLE BOROUGH GENERAL FUND REVENUES - 1988-1992 (Cont.)								
	1991				1992			
	Bally		Bechtelsville		Bally		Bechtelsville	
	\$	%	\$	%	\$	%	\$	%
Fund Balance, January 1	167,531	-	76,522	-	175,650	-	91,923	-
REVENUES								
Taxes	132,300	23.1	123,745	53.0	142,500	28.7	121,439	63.0
Licenses & Permits	4,750	0.8	3,690	1.6	4,950	1.0	4,003	2.1
Fines & Forfeits	3,500	0.6	1,467	0.6	3,500	0.7	1,795	0.9
Interest, Rents & Royalties	12,890	2.2	4,845	2.1	1,000	0.2	2,854	1.5
Intergovernmental Revenues	85,703	14.9	28,702	12.3	66,780	13.4	5,488	2.9
Charges for Services	336,186	58.4	7,424	3.2	264,916	53.3	23,919	12.4
Miscellaneous & Other Revenues	0	0	63,543	27.2	13,590	2.7	33,181	17.2
Total Revenues & Other Sources	575,329	100.0	233,416	100.0	497,236	100.0	192,679	100.0
Total Revenues and Fund Equity	742,860	-	309,938	-	672,886	-	284,602	-

SOURCE: Commonwealth of Pennsylvania Annual Audit and Financial Reports

BALLY BOROUGH AND BECHTELSTVILLE BOROUGH GENERAL FUND EXPENDITURES - 1988-1992												
EXPENDITURES	1988				1989				1990			
	Bally		Bechtelsville		Bally		Bechtelsville		Bally		Bechtelsville	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	76,517	20.4	45,068	31.2	72,252	20.6	40,584	25.3	60,329	15.1	45,316	31.6
Public Safety	52,250	14.0	42,925	29.8	59,800	17.0	46,977	29.3	67,959	17.1	58,911	41.1
Health & Welfare	14,550	3.9	0	0	0	0	250	0.1	0	0	275	0.2
Sanitation	0	0	0	0	0	0	0	0	0	0	0	0
Highways, Roads & Streets	14,455	3.9	39,599	27.4	6,100	1.7	48,200	30.1	48,000	12.0	22,917	16.0
Culture & Recreation	31,926	8.5	4,473	3.1	29,136	8.3	7,321	4.6	3,553	0.9	7,470	5.2
Debt Service	0	0	0	0	41,000	11.7	0	0	41,000	10.3	0	0
Miscellaneous Expenditures	0	0	12,215	8.5	6,600	1.9	16,915	10.6	0	0	8,397	5.9
Other Financing Uses	184,230	49.3	0	0	136,206	38.8	0	0	177,943	44.6	0	0
Total Expenditures & Other Financing	373,928	100.0	144,280	100.0	351,094	100.0	160,247	100.0	398,784	100.0	143,286	100.0
<i>Unreserved Fund Balance, December 31</i>	207,486	-	66,726	-	89,730	-	65,974	-	198,226	-	76,522	-

SOURCE: Commonwealth of Pennsylvania Annual Audit Financial Reports

BALLY BOROUGH AND BECHTELSTVILLE BOROUGH GENERAL FUND EXPENDITURES - 1988-1992 (Cont.)								
EXPENDITURES	1991				1992			
	Bally		Bechtelsville		Bally		Bechtelsville	
	\$	%	\$	%	\$	%	\$	%
General Government	76,191	12.7	94,612	43.4	89,342	17.4	90,834	39.0
Public Safety	104,711	17.4	61,511	28.2	75,550	14.7	66,446	28.6
Health & Welfare	0	0	430	0.2	9,800	1.9	380	0.2
Sanitation	0	0	0	0	0	0	0	0
Highways, Roads & Streets	44,900	7.5	31,891	14.6	6,100	1.2	12,499	5.4
Culture & Recreation	5,100	0.8	18,650	8.6	3,600	0.7	39,932	17.2
Debt Service	41,000	6.8	56	0.1	41,000	8.1	11,637	5.0
Miscellaneous Expenditures	0	0	10,865	4.9	0	0	10,822	4.6
Other Financing Uses	329,258	54.8	0	0	287,194	56.0	0	0
Total Expenditures & Other Financing	601,160	100.0	218,015	100.0	512,586	100.0	232,550	100.0
Unreserved Fund Balance, December 31	141,700	-	91,923	-	160,300	-	52,060	-

SOURCE: Commonwealth of Pennsylvania Annual Audit Financial Reports