

2008 Indian Lake Planning Commission

**Strategic Review of Growth and
Financial Development Needs**

2010-2020

July 28, 2008

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The best predictor of the near future is the recent past; the best predictor of the distant future is a crystal ball.... Author Unknown

A previous 1994 Report discussing Growth and Financial Development needs for Indian Lake Borough, covering 1994-2004, provided insightful analysis and a recent review of that report indicated there would be value in a new/updated strategic review for the future. Looking at the 1994 report in the post 2004 (~2007) timeframe showed it to be accurate on 2 important issues; (1) the need for revenue growth and the need for new homes to be built to provide for that revenue growth; and (2) the need to consider future dam work, with a warning that it could be expensive, and a caution that the Borough should not get caught flat-footed.

The 1994 report seems to have sparked some needed housing growth over the period 1994-1998 (10+ homes/year), but it was short-lived and growth slowed substantially over the following 10 years (average 4 homes/year from 1998-2008). The lapse back to pre-1994 growth rates over the period 1998-2008 resulted in a net difference of 60 fewer homes in 2008; if they had been built it would have brought approximately \$60,000 in additional Borough revenue this year (2008); not insignificant. Likewise, follow-through with planning for expensive dam work did not occur and a current shortfall exists, with our small community being faced with up to \$7 Million debt to effect DEP mandated repairs.

The current Borough Council sanctioned this 2008 Update and Strategic Review to help lead us through the current shortfall and to provide tools for projecting controlled future community and financial growth, and to assess our ability and options for dealing with this impending debt.

This Strategic Review is provided in 3 parts; (1) reflections and the historical perspective, (2) development of projections and (3) new candidate strategies for future leadership.

It is our hope only that you, the reader, may learn a fraction from this report that we the authors have learned in its preparation.



Original also Signed By R.L. Vogel

I- Historical Perspective: 1974-2006 ... Perspectives on the data ...

Expenses

All \$ in \$K (1000)	1974	1978	1982	1986	1990	1994	1998	2000	2002	2004	2006	2008
Expenses												
Admin												
Payroll	5	13	8	22	20	42	23	35	36	37	37	40
Benefits	1	2	1	2	3	6	33	34	43	56	64	35
Insurance	2	5	9	21	46	30	15	14	11	14	18	66
Contract Services							1	9	2	39	12	20
Commissions							8	8	8	10	14	16
Auditor							4	4	4	4	4	6
Legal							3	9	5	6	8	66
Fire and Ambulance							10	7	9	11	12	13
Sewage Inspections							15	6	5	8	12	6
Office	4	12	19	12	25	23	37	51	43	30	29	33
MISC							6	5	4	3	5	4
Works												
Payroll			19	18	62	82	67	79	84	90	90	124
Benefits			1	2	7	20	0	0	0	0	0	
Snow Removal							10	8	4	11	17	25
Roads	15	30	88	118	49	61	70	57	62	267	145	133
Signs							0	1	0	4	4	2
Vehicles			15	29	23	43	55	43	19	37	66	45
Contracted	12	19	12	19	19	28	0	0	13	6	15	
Police	18		1	3	23	49	67	50	50	112	94	89
Dam & Lake		6	31	13	4	18	19	16	25	114	135	197
Water					41		0	0	0	0	0	
Debt												
General												
Sewage			23									
Roads		41	34									
Dam Remed.												102
MISC	13	27	4	18	26				1			
TOTAL Expenses	70	155	265	277	348	402	441	434	428	859	783	1022
Dwellings	378	419	448	488	500	508	549	553	560	572	584	589
Adj. Millage	2.61	2.61	2.18	3.05	3.92	5.23	4.79	4.79	4.79	4.79	5.79	10.5

Debt was moderate in the late 70's and throughout the 80's, ranging from \$13K to \$61K in each year. Millage rates were raised substantially to get debt under control, more than doubling from a low of 10 mils (2.2 adjusted) in 1980-82 to 24 mils (5.2 adjusted) in 1994. Debt pretty much disappeared in the 90's (until now) and millage rates have been essentially unchanged (there was a revenue-neutral county-wide assessment and millage adjustment in 1998) until the 2008 increase of ~80% to cover the first phase of the dam work. This speaks well of Borough management over that period. This is remarkable since some places use millage changes regularly as a substitute for true balancing.

Review of other expenses over this same 30+ year period shows fiscal control. For the 20 year period between 1982 and 2002 Borough expenses averaged 15-20 % less than inflation over the same period (see CPI data below for reference). Between 2002 and 2006 there have been sharp increases in road work, police, and work on the dam, all within budget with a modest 1 mil increase in 2006.

	1974	1978	1982	1986	1990	1994	1998	2000	2002	2004	2006
Consumer Price Index	147.7	195.4	289.1	328.4	391.4	444	488.3	515.8	538.8	565.8	603.9

Income

All \$ in \$K (1000)	1974	1978	1982	1986	1990	1994	1998	2000	2002	2004	2006	2008
Income												
Taxes												
Real Estate	48	33	52	77	115	152	153	161	152	196	258	460
Transfer		2	9	8	26	11	23	31	38	57	44	40
Earned Income		4	15	14	18	17	31	32	35	40	38	41
Per Capita		1	1	1	1	1	0	0	0	0	0	
Licenses/Permits/Fines												
Boat			1	2	8	31	33	39	48	64	68	103
Misc.		1	1	4	9	8	16	14	15	21	19	19
Interest												
Interest							5	6	4	6	12	11
Grants												
Liq. Fuels	10	16	22	24	23	31	38	50	47	42	48	55
Service Corp.	11	30	82	75	70	83	87	79	81	92	92	86
Misc.	4	7	6	7	4	10	17	16	20	64	144	91
Services												
Water	6	7	5	8	47	44	45	37	34	23	25	32
Police						6	4	3	0	0	0	
Sewage							10	8	12	38	24	25
							0	0	0	0	0	
MISC	5	3	13	11	35	8	0	0	4	2	0	3
Transfers/Carryover							0	38	0	212	0	58
TOTAL	84	104	207	231	356	402	462	515	490	857	772	1022

Income has been steady in most areas, and most importantly has kept pace with expenses. Income from Misc. Grants, particularly recently, is most impressive, up by nearly 10 times over the past 10 years. Until just recently this has been sufficient to offset the increases in police, road and dam expenses. In the private, non-profit areas it is hard to cultivate grant revenue and it is a major contributor (~ \$350K) to ILB revenue since 1998.

The major revenue sources for the Borough are Taxes (~50%) which are largely controllable by millage rates and growth in the tax base (new homes), Grants (~10%)

which were discussed above, Boat Licensing (~10%, \$100K in 2008, tripling over the past 10 years), Service Corporation contributions (10-15% and dependable), Liquid Fuel Taxes (5% and dependable), and the remaining 10-15% from a variety of sources, some bookkeeping offsets such as water and sewage income-expense offsets.

We have done well. No one expected a \$7M dam remediation effort to emerge.

II- Projections Forward to 2020...

There are many major items of expense or income over which we have little or no control. Expenses such as the dam remediation; certain benefits; certain insurances; audits; aspects of snow removal, road repairs, police, fire and ambulance, and vehicles are considered necessities and hard to control. Income items such as County Real Estate Assessments and transfers; certain grants and taxes, such as Liquid Fuels Tax, are largely beyond our control. Luckily we have a track record, and many items of both income and expense vary with inflation and the Consumer Price Index. They may be predicted, but not controlled.

Some items can be controlled or influenced to balance budgets and meet budget demands. Controlling what we can is the basis for strategy.

Expenses - Expenses are generally more controllable and discretionary than income. As stated before, ILB expenses seem to have a history of control and restraint, running lower than inflation. The only candidates for perhaps a closer look are recent rises in benefits and insurances, police and vehicles, and some Public Works expenses, such as payroll, roads, etc.

Legal expenses are a target of opportunity and we have wrestled with whether we need to assume these will continue. We consider them as under our control, or certainly under our influence. Our perspective is that legal fees are costing us the equivalent tax revenues of 60+ homes. Our plea/hope is for both concerned citizens and Council members to behave differently (less litigious and less autocratic, respectively) going forward. Failing this, other strategies for curbing this expense are discussed in the section on Leadership Strategies.

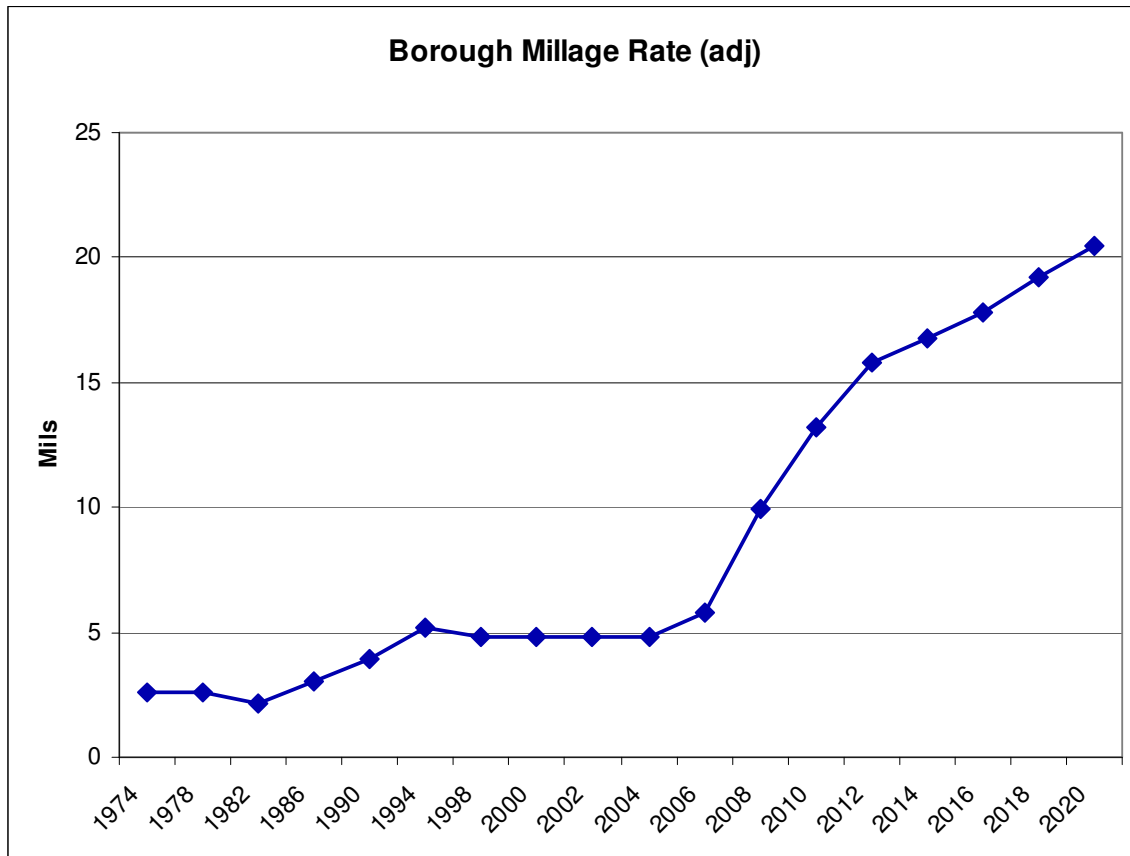
All considered, however, the issue of dam debt cannot nearly be solved by controlling expenses.

Revenue - Housing growth (increased revenue base), millage rates, and boating revenue will remain the Borough's 3 major tools to meet the budget shortfall and balance the budget over the next 10+ years.

The question has been asked "If we had sustained the growth recommended and sparked by the 1994 Study, would we be in this bind?" The answer is clearly yes, but clearly to a lesser degree. We would have needed 300 more homes on the tax roles today to avoid a tax increase and 30 homes per year is 3 times the highest realized since the 1970's (when sewerage and septic systems were non-issues). Sustained growth of 10 homes per year would have gotten us 10% more homes, and lessened the extent of our problem by perhaps 30%. We'd still be in a bind.

The second question we've been asked is "If we start a major push for new development now, can we avoid large tax increases?" The answer to that is clearly "no". The dam work and debt service are near term expenses and aggressive housing growth of 10-20 homes per year will not build the tax base in time. It is equally clear however that such growth can allow the tax rates to cap at a slightly lower amount and to begin to decline

towards today's levels sooner. With **no** housing growth, millage will have to nearly double (to > 20 mils) and remain there out well past 2020, and perhaps to 2040 (see graph below for the modeled projection for zero housing growth). There are many strategies, including housing growth, to prevent that from occurring. They are addressed later in Section III under Leadership Strategies. Some specific candidate actions are addressed as well.



In general, realistic growth, coupled with continued sound fiscal responsibility ...and with restraint on the part of litigious-minded residents ... can help curb potential tax increases beyond that needed for the dam work. **Dealing with the dam work, however, will require thought, innovation and some aggressive strategies that may be neither simple nor universally popular.**

Projecting detailed budgets for outyears, while possible, depends entirely on the **strategy** chosen to raise revenue to cover expenses, and great detail tends to cloud the issues. Expenses are dominated by debt to cover the dam remediation work, which is expected to grow from around \$120K in 2009 to over \$400K/year for 2013 out past 2040. The Borough's ultimate response/control, to balance revenue to the expenses, is to raise taxes (millage). For purposes of discussing Leadership Strategies in this report, all figures are brought back to millage rates for ready comparison purposes, and charts like the above used to compare.

III- Leadership Strategies ... Minimize and Even the Burden

A- Legal:

If we cannot overturn the recent spike in litigation and public dissent, we should strongly consider options like arbitration, or establishing a formal local appeal process to reduce or discontinue runaway legal costs and effort. Improved communication, particularly with part-time residents, might serve to diffuse emotion-charged issues. We cannot legislate away a resident's right to challenge and to seek justice, but we can make it less necessary and less costly. We've done it before; current legal expense is 6X our previous high in any year.

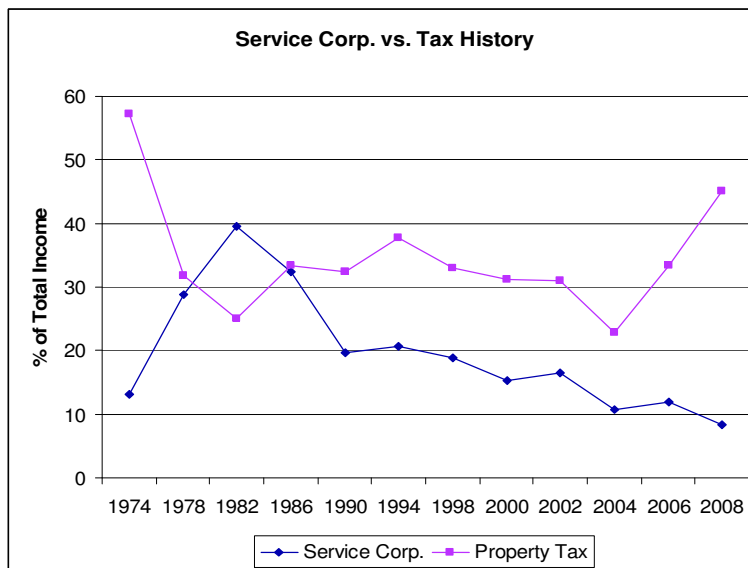
B- Reallocate Major Funding Streams:

The Borough and the Service Corp. together exercise a high degree of control over some of the larger funding streams, representing 75-80% of our revenues. Relying on property taxes alone seems inequitable.

The Service Corp. has the unique ability to level a per-property assessment, independent of property value, residency status or income. A portion of the value of owning property at the Lake is indeed enjoyed by each and every property owner, regardless of whether they boat, and regardless of their residency status. A per-property assessment addresses that. (This currently represents ~10% of Revenue, down from 20-40% in past years)

The Borough has the ability to charge for **Boat/PWC licenses**, which uniquely 'taxes' exclusively those who enjoy the Lake by boating, regardless of residency status or property value. (This currently represents ~10% of Revenue, up slightly from most previous years)

Property taxes traditionally place more of the burden on those who ostensibly have greater ability to pay, based on the relative value of their property. Lakefront homeowners pay ~double that of back-lot homeowners for the ability to enjoy the Lake without leaving their property. Owners of vacant lots pay nearly nothing. (Property Tax represents **nearly 50%** of Revenue, up from 25-30% in earlier years and on a sharp rise currently. In the late 1970's and 1980's property taxes and Service Corp. Assessments were roughly **equal** in terms of revenue).



Income Taxes also tax those more able to pay, based on wages and income. However, at Indian Lake this doesn't hold so well; many properties are owned by non-residents whose income taxes are paid elsewhere and have **zero** benefit to the Borough, or by retirees whose income has already been taxed earlier in their careers, or is not taxable. Local income taxes have become a dominant revenue source for many residential communities, but not so for Indian Lake. (This currently represents <5% of Revenue, down slightly from past years)

Re-balancing between these sources, each being supported by the same pool of residents and property owners, should be revisited for equity of purpose and impact on property owners/residents.

With current restrictions on use, and the fact that remaining vacant lots generally don't "perc", the market value of such lots is largely being established by the cost of boat license fees vs. property taxes. The assessed value of many vacant lots is absurdly low. Total costs, including taxes, are very low on such properties and the cost of a non-resident boat license (or the need for additional resident licenses) makes purchase attractive and often sets the value. Other properties which may "perc" are owned for investment, also with no intention of near-term development. Both of these scenarios keeps the tax base down, and lower than we would like. We need to incentivise **development** of such properties (any "buildable" lot). Millage will not work, since it impacts the non-target group more than the target group. Boat license fees won't work because perhaps a large part of the target group does not boat, and boat license fees may be why they are holding the property. Only increased Service Corp. fees, or increasing assessments on these vacant lots, target this group/behavior (using pay for privilege). Equivalent reductions in millage (or avoidance of increases) could/would offset the increased Service Corp. fees for residents and homeowners (the non-targeted group). In conjunction with an enabling posture on acceptable sewage options, this strategy could likely spur the growth/development we desire.

Substantial increases in boat license fees, with equivalent reductions or avoidance of increases in millage, would be cost-neutral for the Borough, but more equitable for all property owners who boat on the lake (pay for use...). Everyone is equal out on the lake... Our Boat License policies are arguably in need of revision; an outsider looking in might find it strange that our residents find it less expensive (or even viable) to buy property and pay all the taxes (more than 80% of which leave the Borough...), in order to have a boat on the Lake.

The following table illustrates these points using 3 equivalent comparisons; each generates \$100K revenue for the Borough:

IMPACTS ----- >	Lakefront Home	Lakefront Lot	Backlot Home	NP Back Lot	Borough Impact
Avg. Assessment Value	120,000	15,000	60,000	6,000	
2 mil increase	240	30	120	12	\$100K
+ \$100 Service Corp.	100	100	100	100	\$100K
+ \$100K Boat License					\$100K

The major disadvantage with raising revenue **exclusively** via millage is the compounding effect of assessment inequities; a millage change unwittingly impacts some citizens more inequitably than others, those already paying more. A 2 mil increase costs some property owners more than \$700 and some \$2 or less. This hardly seems equitable for preserving the Lake, which benefits all properties equally in many respects.

We should not push for an assessment change... that's not the message; the Borough gets only a small return (~20% of the cost to the taxpayer) and property owners would lose leverage on their dollars spent. The point here is that there are better, smarter ways.

Property tax increases target those already bearing the largest load; they should be combined with other more equitable options. Balance between these revenue streams has been more equitable in the past, and in fairness should be revisited going forward.

Increasing **Income Tax** revenue by encouraging **residency** could be vigorously pursued as it is cost-neutral (or may be cost-advantageous) to the homeowner/prospective resident, and is a substantially untapped revenue source. We **could** even afford incentives... The direct income to the Borough is 0.5% of gross wages (the other 0.5% goes to the school district); it could easily represent **\$100,000** or more added revenue per year at the extreme. We are currently capturing only \$41K income tax revenue from 589 homes; an average of \$69 per home on an average of \$13,900 income per home.

C- Rental Tax and Boating Day-Passes:

Tax on boat rentals, and granting day-passes for a fee, should be considered (perhaps only weekdays and non-holiday weekends). The Marina could administer these for a small percentage/fee. Non-property-owners should be **only** allowed to load/offload at the Marina; the public ramp could be only for property owners' use only. Non-resident boat permittees should have to go to the Marina, helping their revenue as well. The Marina could check stickers in the process, aiding enforcement at no cost. Enforcement and Fines for non-permit boating/operation should be effective enough to provide a very strong deterrent [or large source of revenue].

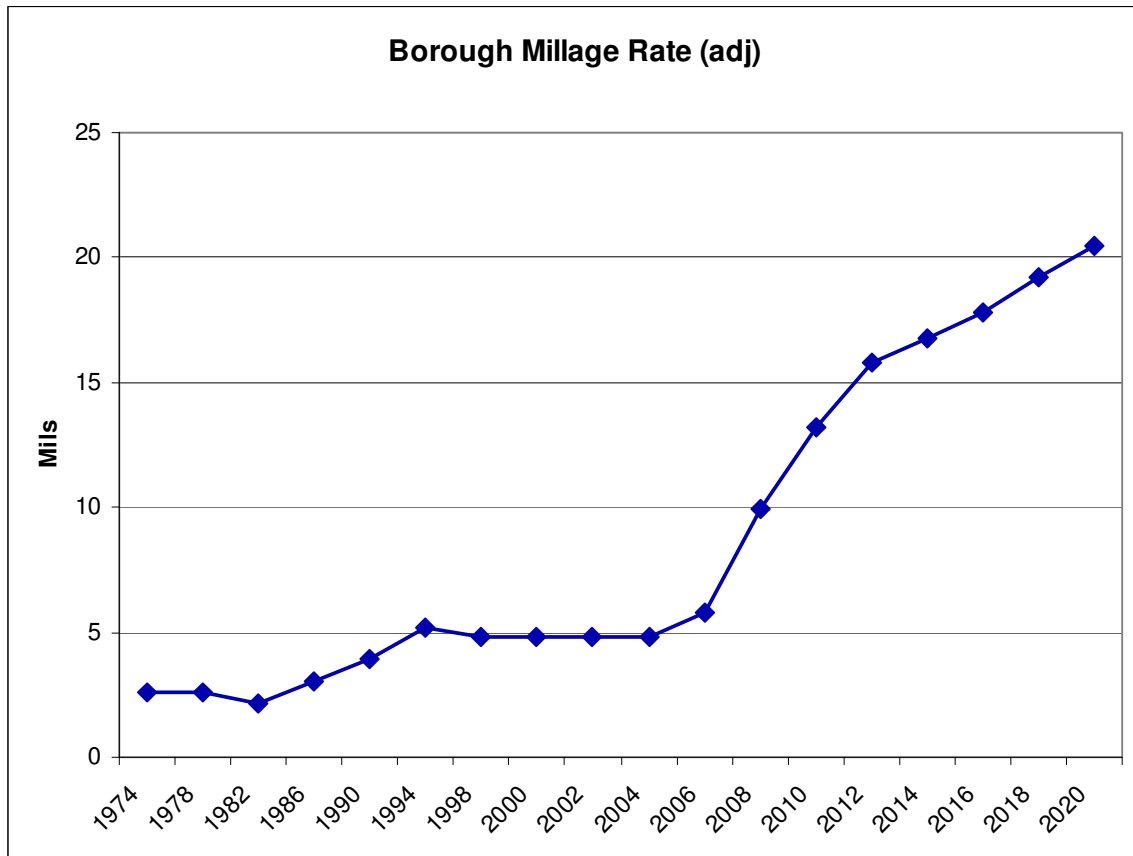
Some Lake properties are rented. Renters ostensibly pay for the privilege and use, but to the owner, not to the Borough. It could be argued that this all balances out because the owner in turn pays his fair share. It could also be argued (and is...) that renters use the Lake far more per day/week during their brief stay than an average resident or property-owner otherwise would, and are less courteous (or at least less knowledgeable of Lake etiquette). Many resort areas charge a 'rental fee/tax' to share in the rental gains on such properties. It should be easy to capture this on rentals which go through local realtors.

Commercial Taxes; establishments in tourist or resort areas are generally taxed heavily since their profitability is greatly enhanced, if not assured, by the attractiveness of the community as a whole. Indian Lake does not cater to tourism, and support of tourism and its businesses is generally lackluster. Commercial enterprises at the Lake are ill-able to pick up significant share of the revenue needs and (arguably) operate largely as non-profit/community service organizations. Increasing Commercial taxes is **not** recommended.

D-Modeling the Business:

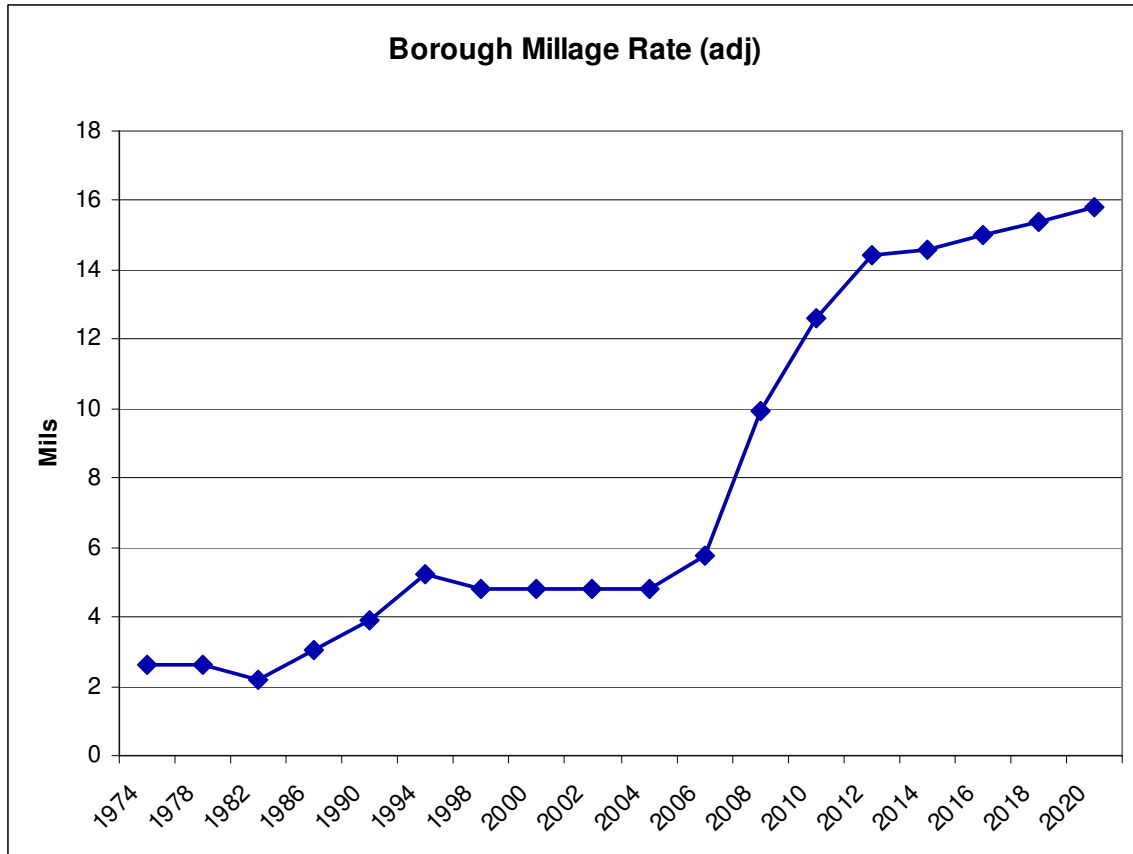
The Planning Commission developed a computer business model to experiment with some of these notions and strategies. The below describes some of the lessons learned and potential impacts by testing some of the above strategies using this model:

With **NO** housing growth, no increase in Service Corp Assessments, and no increase in boat license fees, millage will need to grow to 13 mils by 2010 and **>20 mils** by 2020 to cover expenses, including the dam debt.



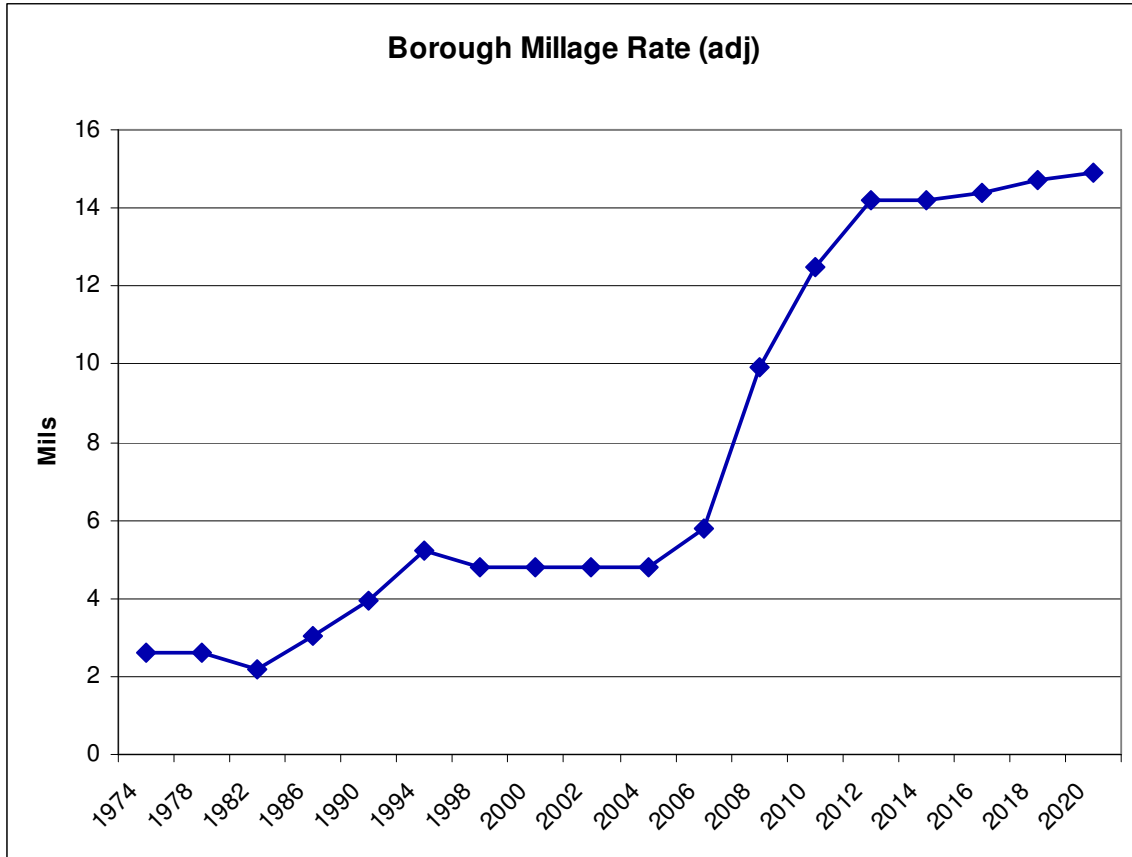
A passive approach relying only on millage doubles taxes (again) in 10 years

Assuming **5** homes/year development rate the required millage rises more slowly to ~18.5 mils in 2020. At **10** homes/year it rises to 17. At **15** homes/year it rises to less than **16** mils in 2020 (with 769 homes; far less than our limit). As a general rule, an **increase** in housing growth by 5 homes per year **reduces** tax burden by ~1.5 mils in ten years. The graph below is for **15** homes/year. Note that there is little or no short-term impact (reduction in millage) associated with larger growth rates; the impact is largely out beyond 2012.



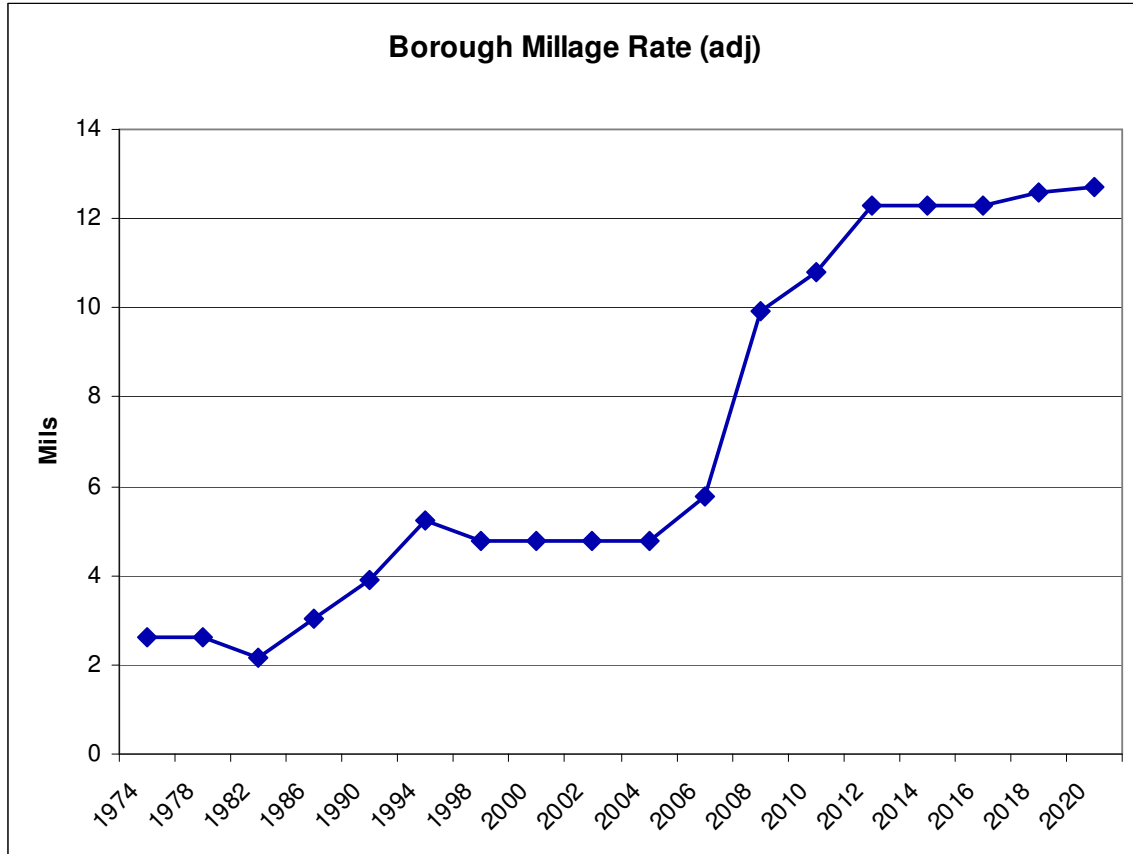
**Growth of 15 homes/year reduces tax burden by nearly 5 mils after 10 years
 (~1.5 mils decrease for each 5 homes/year rate)**

If we may assume the Service Corp raises their assessment yearly, but only to meet inflation (4.4%/year), millage would peak at ~15 mils in 2020, 4.5 mils higher than today.



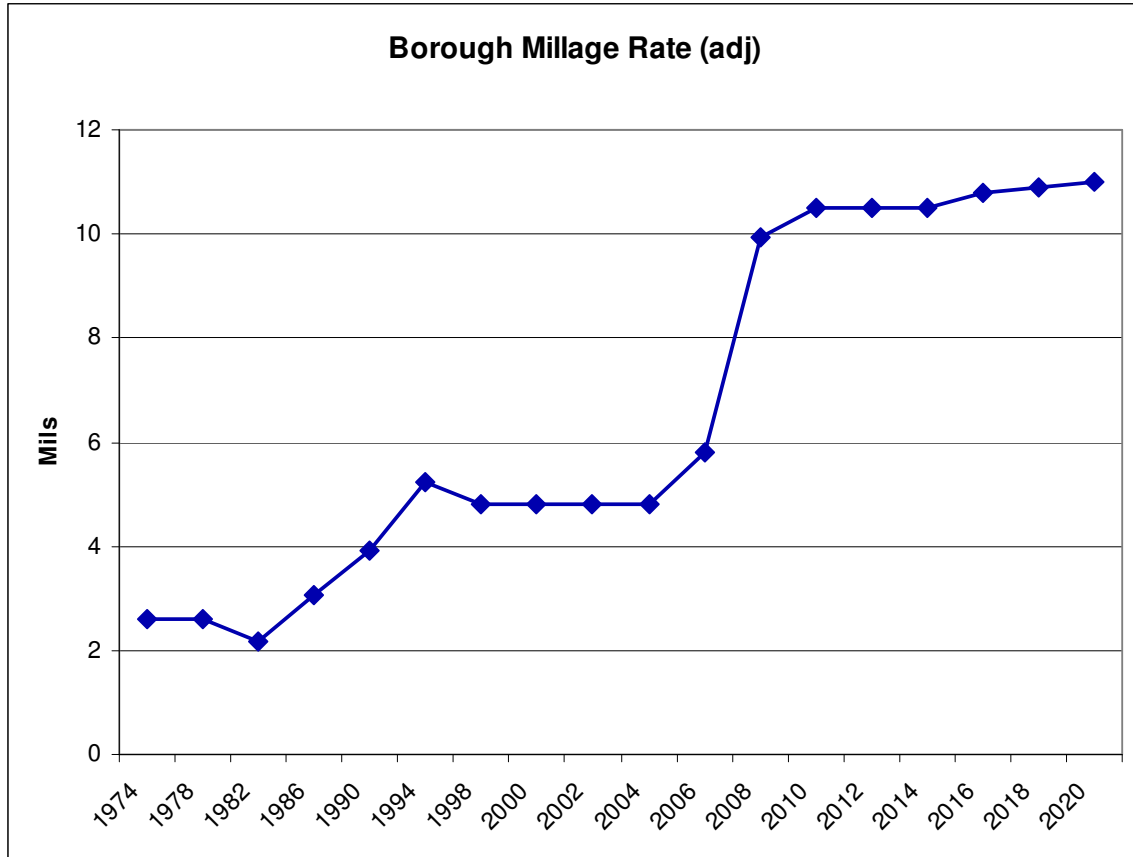
Inflationary increases in Service Corp. contribution helps a little, but not much; less than a mil by 2020

A \$100 per lot Service Corp Assessment increase (permanent; to ~\$200 per year total), coupled with inflationary adjustments, would peak the millage increase at ~12.5 mils in 2012 and essentially keep it there through 2020. That's only 2 mils higher than today's 10.5 mils. This contribution **reduces** the tax burden by ~2.5 mils **each and every year** it is in force; the benefit/payback is immediate.



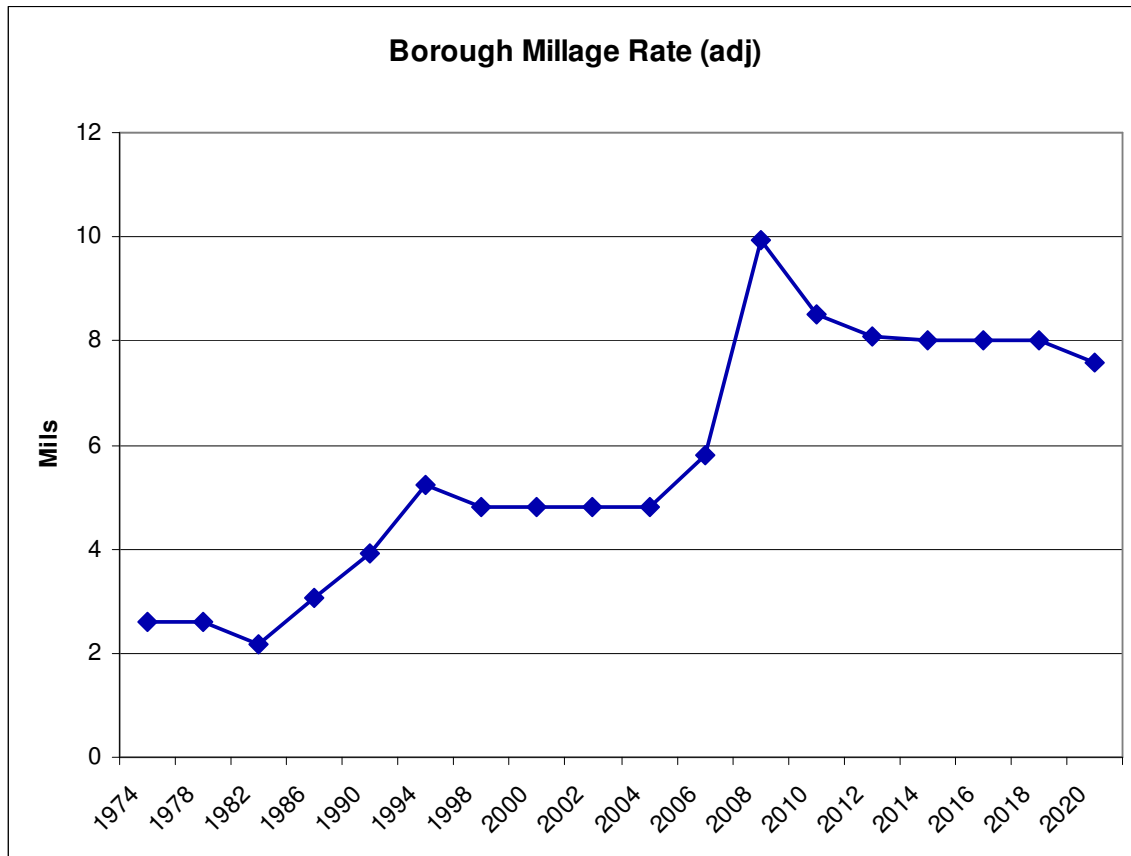
A \$100 increase in Service Corp. assessment can reduce taxes by ~2.5 mils (for each or any given year it is approved)

Further, capping Legal fees at \$10K/year (our highest ever before 2007/2008 was \$9K), would cap the millage at 10.5 mils through 2014 and it would rise only slightly to 11 by 2020.



Reducing legal expense to historical levels reduces the tax burden by > 1 mil

Increasing Boat License revenue by \$100K (approx double our 2008 revenue) would permit reducing millage to 8.5 mils in 2010 and it would begin dropping slightly thereafter, another full mil by 2020. That would be a **reduction** of 3 mils over today's rate... Note there are many ways to adjust license fees and we have not chosen any specific method. 2008 statistics are in the chart below the graph



2008	#	\$/per	\$
Primary Powered - Approximately	700	50	35,000
Primary Non-Powered - Approximately	5	15	75
General	40	600	24,000
Secondary Powered	289	150	43,350
Secondary Non-Powered	345	15	5,175
TOTALS	1379		107,600

Doubling Boat License fees can reduce tax burden by 2.5 mils

In summary, all of the above actions together would allow for **NO** additional millage increase, **and a steady reduction back to ~7.5 mils by 2020.**

All of these strategies may not be practical or palatable to everyone, but it provides an idea of what aggressive postures can accomplish in combination.

This model (in Microsoft Excel) is available for Borough use. Training can be provided. It is currently designed to cover yearly planning out through 2020 and is readily adaptable to cover beyond 2020.

E- Other Unique Approaches Discovered in Research:

Some countries (Canada, Spain, Australia and New Zealand ?) have aggressive laws for capturing tax on **profits** made on ‘local’ real estate owned/sold by non-residents...(capital gains and/or ordinary income) ... essentially such gains/profits are considered **locally earned** and thereby **taxable locally** first. (Spain actually ‘sieves’ a sizeable percentage of the sellers proceeds and only releases the balance following full accounting/disclosure...and payment to them first). This is a **gains tax**, not a transfer tax.

Many successful non-profits and local governments pay **grant consultants** a fee for aggressively seeking and obtaining grants. ILB’s grant income has been considerable in some past years, and this is projected to continue (without guarantees, however). Perhaps a fee-based consultant could improve on our success, and without downside risk.

F- Other Considerations

The single biggest obstacle to real-estate revenue growth is sewage disposal, particularly on remaining lakefront lots. To spark growth, a posture of openness to available options should be taken. Credible input should be sought on the real issues with lake discharge of high-quality TFE, given the ease of treating phosphorous and DEP guidelines for “budgeting” P-loading. We recognize this is an emotionally charged issue, but it is also one with technical merit with today’s technology and DEP’s support. Council may need to consider the relative merits of any and all DEP sanctioned Alternative and Experimental on-lot or community system alternatives. ILB cannot continue to wish for growth, but ignore or filibuster new or creative approaches for sewage processing. It is clear from this analysis that community-wide public sewerage in the near-term will be very difficult to fund. Receipt of the DEP Lake Study on Eutrophication may well set the stage for rational consideration of new on-lot options. Converting an average vacant lot to a residence benefits the Borough revenue stream by between \$700 and \$3000 per year. (\$1000 per year would be a good rule-of-thumb). We could even afford to subsidize on-lot options that we like, to offset their high costs [over alternatives we do not like] and thus spur development. Simple encouragement, or an enabling-posture, would not cost the Borough any money.

Acknowledgements

The following people and organizations have provided data and support for this analysis:

US Bureau of Labor and Statistics; www.bls.gov/cpi

1994 Indian Lake Planning Commission; An Analysis of Finances and Growth, Indian Lake Borough, 1974-2004; Ronald Seiling, Robert Langley, Virginia Nass, Malcom Charles, Dale Worcester

Indian Lake Borough; Theresa Weyant, Borough Manager; Mike Miscoe, President of Council; Barry Lichty, Mayor

Indian Lake Service Corp.; Dick Stern, President

Somerset County; Glen Wagner, IT Department and Jane Rizzo, Assessments

Pennsylvania Department of Revenue; various web sites and databases

The World Wide Web... sources too numerous to mention...

The pages which follow represent a sub-set of the data gathered during this review. We include it here because it is interesting, and worthy of being captured for reference, and perhaps future use.

Indian Lake Statistics

<u>Statistic</u>	<u>ILPA</u>	<u>US</u>	<u>Unit</u>
<u>People</u>			
Median Age	49.1	37.6	yr
Married	69	59	%
Married w/Children	15		%
Single	31	41	%
Single w/Children	1.3		%
Divorced	6.7		%
Household	2.2	2.6	People
Population (residents)	451	293,655,400	People
Density	122	80	people/sq. mile
Change from 2000	0.22	5.88	%
Age	49.1	37.6	yr
Households (residents)	209	108,954,329	households
Size	2.2	2.6	People
Male	52.7	48.7	%
Female	47.3	51.3	%
Married	68.94	58.89	%
Single	31.06	41.11	%
Unemployed	4.9	4.60	%
Job Growth Rate	(1.68)	1.40	%
Avg. Income per capita	\$33,559	\$24,020	
Median Income/household	\$62,244	\$44,684	
<u>Homes</u>			
Dwellings	589		
Avg. Home Age	30	27	yr
Home Cost	\$196,100	\$217,200	median
Homes Owned	34.1	64	%
Vacant	64.5	14.5	%
Rented	1.4	21.5	%
Tax Rate	13.02	13.28	per 1000 value
Under 60K	0.5	13	%
150-300K	40	30	%
Over 300K	30	16	%
All Other Ranges Comparable			
Built 1960-1980	66	30	%
Pre 1960	1	27	%
All Other Ranges Comparable			

<u>Statistic</u>	<u>ILPA</u>	<u>US</u>	<u>Unit</u>
<u>Jobs</u>			
Management	25.43	13.61	%
Prof	27.59	20.24	%
Construction	3.02	9.48	%
Prod./labor	7.76	14.44	%
<u>Quality of Life</u>			
Air Quality	56	48	100=best
Water Qual	68	55	100=best
Crime	2	3	10=worst
Rain	41.4	36.6	in./yr.
Snow	108	25	in./yr.
Days Precipitation	158	101	days/yr.
Sunny	157	205	days/yr.
Clouds/Overcast	50	59	days/yr.
<u>Education</u>			
\$/Student	\$6,011	\$6,058	
Students/Teacher	17	16	ratio
Get 2 year degree	5.8	8.2	%
Get 4 year degree	28.5	15	%
Go to Grad School	15	7.2	%
Total Adv. Education	49.3	30.4	%
Overall Grad %	96.1	79.6	%
<u>Cost of Living</u>			
Overall Cost of Living	84	100	100=US avg.
Food	97	100	100=US avg.
Util	110	100	100=US avg.
Misc/Other Goods	102	100	100=US avg.
<u>Politics</u>			
Democrat	35	48.6	%
Republican	64.7	50	%
Independent	0.3	1.4	%

* There is no way to verify much of this data. Items which have been checked show it to be reliable enough for general planning. Most is root-sourced in census and other state and federal government databases ranging from 2000-2007.

2008 Operating Budget 11-14-07

Account Number	Account Description	2008 Budget Detail	2008 Budget Summary	Percent of Total Revenue	Expenses as a % to Revenues
300.000	Revenues				
	Tax Revenue		541,189.00		
301.100	Real Estate Tax Current	452,389.00		44.26%	
301.200	Real Estate Tax Prior year	7,300.00		0.71%	
301.600	Interim Tax	500.00		0.05%	
301.100	Real Estate Transfer Tax	40,000.00		3.91%	
310.210	Earned Income Tax Current	17,000.00		1.66%	
310.220	Earned Income Tax Prior	24,000.00		2.35%	
	Permits and Penalties		121,575.00		
320.010	Building and Tree Permits	5,500.00		0.54%	
	<i>Boat Licenses</i>	102,525.00		10.03%	
320.021	Primary Boat Licenses	30,000.00			
320.022	Secondary Boat Licenses	48,525.00			
320.023	General Boat License	24,000.00			
320.030	Sewage Permits	3,000.00		0.29%	
320.040	Sign Permits	250.00		0.02%	
321.700	Liquor License	400.00		0.04%	
321.800	Cable TV Franchise Fee	7,000.00		0.68%	
321.900	Lien Letter Fees	300.00			
331.110	Citations and Court Fines	2,600.00		0.25%	
331.120	Borough Ordinance Violations	-		0.00%	
	Service Fees and Miscellaneous		13,000.00		
	<i>Interest Earnings</i>	10,500.00		1.03%	
341.010	General Fund Interest	10,000.00			
341.020	Highway Aid Interest				
341.040	Trust Account Interest				
341.060	Capital Account Interest	500.00			
	Intergovernmental Revenue		288,079.00		
354.020	State Aid Municipal Pension Plan	11,234.00			
354.030	Sanitation Grant	2,615.00		0.26%	
354.040	Public Utility Reality Tax	550.00		0.05%	
355.050	State Liquid Fuels	55,000.00		5.38%	
355.140	Fireman's Relief Fund	9,700.00		0.95%	
355.060	County Liquid Fuels	-		0.00%	
357.020	Service Corporation Contributions	85,000.00		8.32%	
360.100	Water Works Services	31,500.00		3.08%	
360.200	Service Corporation Services	900.00		0.09%	
360.300	Sewer Plant Services	13,000.00		1.27%	
361.040	Forest Management Program	-			
	<i>Police Service Contracts</i>	-		0.00%	
362.010	Shanksville Contract	-			
362.020	Stonycreek Contract	-			
362.110	Accident Reports	30.00		0.00%	
362.200	Sewage Maintenance Program	12,000.00			
366.010	DCED Grant	66,550.00			
380.000	Miscellaneous	2,500.00		0.24%	

		Total	1,022,143.00	86%	
Account Number	Account Description	2008 Budget Detail	2008 Budget Summary	Percent of Total Revenue	Expenses as a % to Revenues
<i>Fund Transfers</i>			58,300.00		
106.100	Capital Fund Transfer	5,500.00		0.54%	
	General Fund Transfer	-			
	Highway Aid Fund Transfer	52,800.00			
	Funds Carried From 2007	-			
		Total	1,022,143.00	86%	
400.000	Expenses				
	Administration		306,363.00		
	<i>Contracted Services</i>	17,000.00			
402.115	Auditor	6,000.00			0.59%
402.116	Consultanting Fees	5,000.00			0.49%
402.117	Somerset Co-Op	-			
402.118	On-Lot Sewage Inspector	6,000.00			
	<i>Tax Collector Commission</i>	22,257.00			
403.114	Susan Dabbs Commission	21,057.00			2.06%
403.117	Pa Municipal Services	1,200.00			0.12%
403.200	Tax Collector Supplies	400.00			0.04%
403.350	Tax Collector Bond	150.00			
	<i>Legal</i>	66,000.00			
404.316	Borough Solicitor	60,000.00			5.87%
404.317	Planning Commission Solicitor	1,000.00			
404.318	Zoning Hearing Board Solicitor	5,000.00			0.49%
405.140	Borough Secretary Pay	39,903.00			3.90%
400.200	Office Supplies	5,500.00			0.54%
400.321	Telephone	3,200.00			0.31%
405.130	Assistant Secretary Pay	-			0.00%
400.340	Printing & Advertising	5,000.00			0.49%
400.700	Office Capital	3,030.00			0.30%
409.361	Electricity	6,000.00			0.59%
409.375	Building Maintenance	9,100.00			0.89%
409.380	Building Capital	-			0.00%
	Police		89,054.00		
	<i>Police Wages</i>	64,202.00			
410.120	Chief's Pay	36,677.00			
410.121	Sargent's Pay	-			0.00%
410.122	Patrol Officer Pay	27,525.00			2.69%
410.312	Police Consultant	-			
	<i>Police Admininstration</i>				
410.151	<i>Police Insurance</i>	16,742.00			
410.352	Police Liability	1,750.00			0.17%
410.355	Police Automotive	1,000.00			0.10%
410.354	Police Worker's Compensation	3,650.00			0.36%
410.156	Police Medical	9,000.00			0.88%
410.158	Police Life	750.00			0.07%
410.159	Police Heart & Lung	560.00			
410.160	Police Inland Marine	32.00			
410.238	Police Uniform and Equipment	1,500.00			0.15%
410.000	Police Miscellaneous	550.00			0.05%

410.210	Police Office	1,110.00			0.11%
	<i>Police Maintenance</i>	3,000.00			
410.252	Expedition Maintenance	1,300.00			0.13%
410.253	Patrol Boat Maintenance	700.00			0.07%
410.255	Jet Ski Maintenance	-			0.00%
410.231	Police Fuel	400.00			0.04%
410.254	Police Equipment Maintenance	600.00			0.06%
410.215	Police Training	300.00			0.03%
410.700	Police Capital	1,650.00			0.16%
411.500	Fire and Ambulance	13,300.00			1.30%
414.180	Zoning Officer Pay	-			0.00%
		2007	2007	Percent	Expenses
Account	Account	Budget	Budget	of Total	as a % to
Number	Description	Detail	Summary	Revenue	Revenues
417.192	Sewage Inspections	5,500.00			0.54%
	Public Works		283,060.00		
	<i>Workmen Wages</i>	123,460.00			
430.131	Superintendent's Pay	39,903.00			3.90%
430.132	Laborer 1 Pay	31,597.00			3.09%
430.133	Laborer 2 Pay	22,788.00			2.23%
430.134	Laborer 3 Pay	29,172.00			
430.313	Engineering Services	3,000.00			
	<i>Snow Removal</i>	24,600.00			
432.851	Materials	19,100.00			1.87%
432.852	Equipment	4,500.00			0.44%
432.853	Contracted Services	1,000.00			0.10%
430.860	Street Signs	2,000.00			0.20%
	Vehicles and Equipment		45,400.00		
	<i>Vehicle Maintenance</i>	11,700.00			
437.871	97 F-350 Truck	2,200.00			0.22%
437.872	99 F-450 Truck	2,000.00			0.20%
437.873	03 F-450 Truck	1,500.00			0.15%
437.874	95 Dodge	1,000.00			
437.875	98 Explorer	1,000.00			
437.876	07 F-450 Truck	1,800.00			
437.877	05 GMC Truck	1,200.00			
437.880	General Vehicle Maintenance	1,000.00			0.10%
	<i>Equipment Maintenance</i>	5,800.00			
437.876	Back-Hoe	1,800.00			0.18%
437.877	Grader	1,000.00			0.10%
437.878	Tractors	2,000.00			0.20%
437.879	General Equipment Maintenance	1,000.00			0.10%
	<i>Fuel</i>	18,400.00			
437.231	Gasoline	12,650.00			1.24%
437.232	Diesel	5,750.00			0.56%
437.700	Vehicle and Equipment Capital	8,000.00			0.78%
	<i>Equipment Purchase & Rental</i>	1,500.00			
437.374	Equipment Purchase	1,000.00			0.10%
437.384	Equipment Rental	500.00			0.05%
438.000	Highway Maintenance	133,000.00			13.01%
439.000	Highway Construction	-			

400.215	Training	1,000.00			0.10%
	Dam and Lake		196,586.00		
	<i>Lake Maintenance</i>	32,000.00			
451.882	Weed Treatment	30,000.00			2.94%
451.883	Water Quality Analysis	2,000.00			0.20%
451.884	Lake Consulting	-			
451.885	Lake Maintenance	-			
	<i>Dam Maintenance</i>	164,586.00			
451.888	Dam Materials	-			0.00%
451.887	Dam Consulting	164,586.00			16.10%
471.200	General Obligation Bonds	102,023.00			
480.000	Miscellaneous	4,000.00			0.39%
	Insurance		66,396.00		
486.156	Employee Medical	42,600.00			4.17%
186.158	Employee Life	2,000.00			0.20%
		2007	2007	Percent	Expenses
Account	Account	Budget	Budget	of Total	as a % to
Number	Description	Detail	Summary	Revenue	Revenues
486.162	Unemployment Insurance	850.00			0.08%
486.350	Employee Bond	528.00			0.05%
486.351	Business Package	1,550.00			0.15%
486.352	General Liability	2,627.00			0.26%
486.354	Worker's Compensation Insurance	9,336.00			0.91%
486.355	Vehicle Insurance	4,981.00			0.49%
486.356	Public Official Liability	1,924.00			0.19%
	Payroll Taxes and Benefits		35,284.00		
487.001	Employer Payroll Taxes	19,050.00			1.86%
487.150	Copeland Contribution	5,000.00			0.49%
487.151	Municipal Retirement Trust Contribution	11,234.00			1.10%
			1,022,143.00		82.04%

cpi data.txt

Data extracted on: January 20, 2008 (8:31:39 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000AA0Not Seasonally AdjustedArea: U.S. city averageItem:
All items - old baseBase Period: 1967=100

Year	Annual
1967	100.0
1968	104.2
1969	109.8
1970	116.3
1971	121.3
1972	125.3
1973	133.1
1974	147.7
1975	161.2
1976	170.5
1977	181.5
1978	195.4
1979	217.4
1980	246.8
1981	272.4
1982	289.1
1983	298.4
1984	311.1
1985	322.2
1986	328.4
1987	340.4
1988	354.3
1989	371.3
1990	391.4
1991	408.0
1992	420.3
1993	432.7
1994	444.0
1995	456.5
1996	469.9
1997	480.8
1998	488.3
1999	499.0
2000	515.8
2001	530.4
2002	538.8
2003	551.1
2004	565.8
2005	585.0
2006	603.9
2007	621.106

CURRENT LAND USE CODES

AGRICULTURAL CODES

AAB.....	With buildings; land includes both tillable and non-tillable soils
AAO.....	With buildings; land includes no tillable soil
AAT.....	With buildings; Land includes only tillable soil
AMB, AMO, AMT.....	Same as above but with taxable minerals also
VVB.....	No buildings; land includes both tillable and non-tillable soils
VVO.....	No buildings; land includes no tillable soil
VVT.....	No buildings; land includes only tillable soil
VMB, VMO, VMT.....	Same as above but with taxable minerals also

COMMERCIAL CODES

CCA.....	Apartments
CCB.....	Bank
CCC.....	Commercial Combination (property currently has more than one use)
CCG.....	Gas Station
CCM.....	Motel
CCO.....	Office building
CCR.....	Restaurant
CCS.....	Store
CCT.....	Cell Tower on leased land
CCL.....	Lot
CSH.....	Subsidized Housing (FMHA, HUD, PHFA)
VVC.....	Lot 10 acres or more
CM*.....	Same as above with taxable mineral

EXEMPT CODES

EXB.....	Cemetery
EXC.....	County Government
EXE.....	Educational Facility
EXF.....	Federal Government
EXL.....	Local Government
EXM.....	Medical Facility
EXO.....	Other (public charities, etc.)
EXP.....	Utility owned by Municipal Authority
EXR.....	Religious Facility
EXS.....	State Owned
EXU.....	Municipally owned public utility
EXV.....	Veteran
EOZ.....	Keystone Opportunity Zone Parcel

LAND CODES (excluding agricultural)

LL1.....	Vacant Lot-1 acre or less
LL2.....	Vacant Lot-more than 1 acre but less than 5
LL3.....	Vacant Lot-more than 5 acres but less than 10
LM1, 2, 3.....	Same as above with taxable mineral

MINERAL CODES

MM1.....Coal (includes oil and gas)
 MM2.....Oil and Gas only

RESIDENTIAL CODES

RRA.....Residential Apartment
 RRE.....Homes
 RRT.....Mobile Home with land
 RCN.....Condominium
 RTN.....Townhouse
 RTR.....Mobile Home (land leased)
 RME, A, T, N, R.....Same as above with mineral

MISCELLANEOUS CODES

FFR.....Fraternal
 IIN.....Industrial
 PPU.....Public Utility (subject to Public Utility Realty Tax Act)

Any of the above listed codes that contain a 'M' as the second letter have taxable minerals included in the assessment.

The following codes are not land use codes, but are used to identify those parcels held in Tax Claim. The code is found in AA file on first screen of each record in a field called "TX CLAIM" to the right and above the owner name.



TCB.....Property held under trusteeship of Tax Claim Bureau
 TMB.....Mineral property held under trusteeship of Tax Claim Bureau

**PENNSYLVANIA DEPARTMENT OF REVENUE
REALTY TRANSFER TAX
COMMON LEVEL RATIO (CLR)
REAL ESTATE VALUATION FACTORS
FOR
SOMERSET COUNTY**

The following real estate valuation factors are based on sales data compiled by the State Tax Equalization Board. These factors are the mathematical reciprocals of the actual common level ratios. For Pennsylvania Realty Transfer Tax purposes, these factors are applicable for documents accepted for the periods indicated below. The date of acceptance of a document is rebuttably presumed to be its date of execution, that is, the date specified in the body of the document as the date of the instrument. 61 Pa. Code § 91.102

ACCEPTANCE DATE		CLR FACTOR	ACCEPTANCE DATE		CLR FACTOR
FROM	TO		FROM	TO	
7-2-1986	6-30-1987	5.35	7-1-2006	6-30-2007	2.71
7-1-1987	6-30-1988	5.75	7-1-2007	6-30-2008	2.91
7-1-1988	6-30-1989	6.02			
7-1-1989	6-30-1990	6.37			
7-1-1990	6-30-1991	6.71			
7-1-1991	6-30-1992	6.62			
7-1-1992	6-30-1993	7.14			
7-1-1993	6-30-1994	8.00			
7-1-1994	6-30-1995	8.77			
7-1-1995	6-30-1996	8.40			
7-1-1996	6-30-1997	8.47			
7-1-1997	12-31-1997	9.17			
*1-1-1998	6-30-1998	2.00			
*7-1-1998	6-30-1999	2.00			
7-1-1999	6-30-2000	2.14			
7-1-2000	6-30-2001	2.21			
7-1-2001	6-30-2002	2.23			
7-1-2002	6-30-2003	2.32			
7-1-2003	6-30-2004	2.34			
7-1-2004	6-30-2005	2.47			
7-1-2005	6-30-2006	2.63			



* Adjusted by the Department of Revenue to reflect assessment base change effective January 1, 1998.

Click on the  to see more detail and the  to hide detail

Earned Income Tax/Personal Income Tax Rates and Collectors

Most Current Rates as of 4/7/2008 8:28:55 PM

INDIAN LAKE BORO, SOMERSET COUNTY / SHANKSVILLE-STNYCRK S D

	Municipal Nonresident EIT (percent)	Municipal Resident EIT (percent)	School District Resident EIT (percent)	School District Resident PIT (percent)	Total Resident Income Tax (percent)		
Tax Rate	0	.500	.500	0	1.000	Municipal Tax Collector	School District Tax Collector
Effective Date	Not available	Not available	Not available	Not available		 Pennsylvania Municipal Service Company-Johnstown	 Pennsylvania Municipal Service Company-Johnstown