

11/15/2022

BOROUGH OF SHARPSBURG

COMMUNITY FINANCIAL HEALTH ASSESSMENT- FINAL REPORT



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ACKNOWLEDGEMENTS

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INTRODUCTION

Sharpsburg is a borough in central Allegheny County along the Allegheny River sharing borders with the boroughs of Etna and Aspinwall and the Township of O’Hara. It is characterized as urban and densely populated. It provides strong neighborhoods, robust central business district, and pedestrian connections for its residents. By 1920, the Sharpsburg population had reached its peak at 8,921 but has declined in every decade since then. The current population is estimated to be approximately 3,347 residents.

TABLE 1: HISTORICAL POPULATION GROWTH

CENSUS	POP.	% +/-
1850	1,229	
1860	1,436	16.8%
1870	2,176	51.5%
1800	3,466	59.3%
1890	4,898	41.3%
1900	6,842	39.7%
1910	8,153	19.2%
1920	8,921	9.4%
1930	8,642	-3.1%
1940	8,202	-5.1%
1950	7,296	-11.0%
1960	6,096	-16.4%
1970	5,453	-10.5%
1980	4,351	-20.2%
1990	3,781	-13.1%
2000	3,594	-4.9%
2010	3,446	-4.1%
2020	3,347	-2.9%

COMPARABLE COMMUNITIES DEMOGRAPHICS

A review of the demographics in comparable communities in southwest PA was conducted as part of this report.

- Sharpsburg has an older than average median age at 43.1 years
- Sharpsburg has a lower than average senior population at only 13.3% of the population
- 17.7% of the population is under the age of 18.

TABLE 2: COMPARABLE COMMUNITIES AGE & POPULATION

MUNICIPALITY	POP	MEDIAN AGE	% UNDER 18	% 65 & OVER
EDGEWOOD	3,020	36.9	16.3%	13.5%
HOMESTEAD	3,168	30.8	28.2%	20.3%
TRAFFORD	2,957	38.6	22.4%	18.0%
BRACKENRIDGE	3,155	41.8	16.7%	17.9%
PITCAIRN	3,180	41.3	21.5%	16.0%
MT. OLIVER	3,304	35.8	26.8%	11.9%
SPRINGDALE	3,307	47.3	18.8%	24.2%
SHARPSBURG	3,347	43.1	17.7%	13.3%
ETNA	3,336	37.6	18.0%	18.3%
MILLVALE	3,686	44.4	14.7%	16.8%
PORT VUE	3,673	39.9	18.6%	20.4%

- By Fall of 2022, Sharpsburg’s unemployment rate decreased to 4.5% about the same as the state.
- The median household income is low at \$37,871 (much lower than PA’s \$63,627).
- About 14.5% of the housing units are vacant – this is higher than state and national averages of about 11%.
- Median value of owner-occupied housing units is \$78,300 which is about in the middle of the comparable communities

TABLE 3: COMPARABLE EMPLOYMENT & INCOME

MUNICIPALITY	UNEMPLOYED	MEDIAN HOUSEHOLD INCOME
EDGEWOOD	4.2%	\$80,606
HOMESTEAD	7.1%	\$26,563
TRAFFORD	7.4%	\$44,940
BRACKENRIDGE	3.0%	\$40,146
PITCAIRN	7.0%	\$34,882
MT. OLIVER	7.1%	\$31,890
SPRINGDALE	7.7%	\$56,027
SHARPSBURG	8.2%	\$37,871
ETNA	7.1%	\$42,219
MILLVALE	5.1%	\$44,694
PORT VUE	4.5%	\$58,368

Housing values have increased substantially since the 2020 census – these values are probably grossly underestimated for 2022.

- Trafford, Springdale, and Etna have the highest median values.
- Homestead and Mt. Oliver have the lowest median values.
- About 55% of housing units are rental units.

TABLE 4: COMPARABLE HOUSING DATA

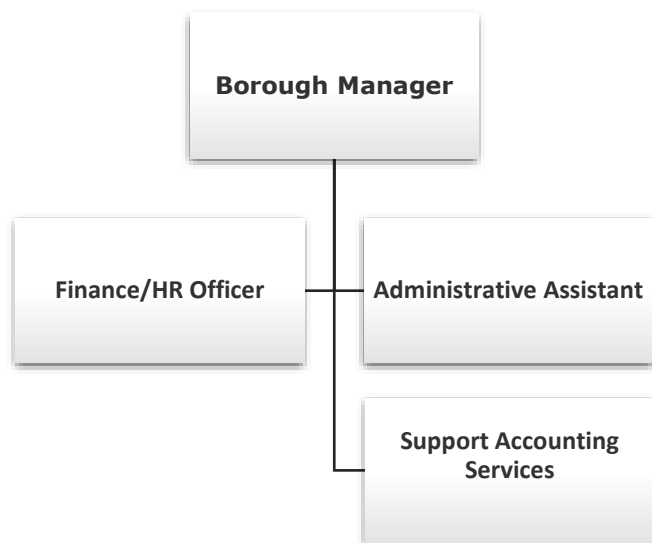
MUNICIPALITY	% OCCUPIED	% OWNER-OCCUPIED	MEDIAN HOUSING VALUE
EDGEWOOD	97.8%	63.0%	\$228,570
HOMESTEAD	71.8%	28.2%	\$58,000
TRAFFORD	84.3%	62.9%	\$115,100
BRACKENRIDGE	87.5%	63.6%	\$71,900
PITCAIRN	91.5%	38.2%	\$72,100
MT. OLIVER	76.8%	46.9%	\$55,700
SPRINGDALE	92.4%	63.4%	\$111,884
SHARPSBURG	85.3%	44.8%	\$78,300
ETNA	95.7%	54.5%	\$91,800
MILLVALE	83.9%	42.5%	\$74,700
PORT VUE	89.7%	77.6%	\$67,700

GENERAL GOVERNMENT RECOMMENDATIONS

As part of this engagement, a review was conducted under the *Community Assessment for Healthy Communities* program sponsored by the Local Government Academy. This report will focus on the operations and structure of the Borough administration, the financial operation, and best management practices.

The current Sharpsburg administration includes the Borough Manager and two administrative clerks. In order to strengthen the current administrative operation, several enhancements are recommended for consideration.

Item: Build a sustainable administrative structure. The proposed organizational structure identifies specific skills and depth within the current administration. It is important to build in redundancy to avoid crisis during transition periods.



Item: Continue aggressive code enforcement. Investing in proactive and aggressive code enforcement is one way that

a municipality can increase property values. Safe, quality housing leads to higher sales which positively impacts the deed transfer tax and ultimately the real estate tax. A strong housing market supported by higher property values will also help to reduce vacancy, as it becomes more economical for investors to rehab vacant properties. This leads to additional earned income tax revenues from additional wage earners moving into the Borough.

- The Borough currently has a rental license and inspection program where fees are charged every other year. This leads to revenues that ebb and flow. It is recommended that the Borough develop an annual rental registration program and build the inspection fees into the yearly registration. This will lead to more consistent revenues and also provide a means to capture the most current information on property owners, property managers, and tenants. The Code Enforcement Officer can then divide their inspections over a period of two or even three years.

Item: Develop and Adopt an Employee Handbook. All local governments need an employee handbook to protect against a variety of risks and liabilities. A handbook will significantly reduce disputes with employees by ensuring that everyone knows and follows the established rules. The handbook should include among other things:

- General employment statutes and legally mandated regulations
- Compensation and benefit policies including payroll, sick leave, paid time off, overtime, benefits, breaks, and jury duty.
- Harassment and discrimination policies.
- Work rules, workplace conditions, and policies
- Standards of conduct
- Computer use and social media policies.

FINANCIAL MANAGEMENT RECOMMENDATIONS

The financial management system is the beating heart of the organization. It establishes the context within which decisions about services, programs, and projects are made based on Borough priorities. Without a properly functioning financial management system, the leaders cannot properly address shortfalls nor can they plan for policy initiatives. The following enhancements are recommended for the Sharpsburg financial management system.

Item: Identify a Finance Officer position. One of the administrative clerks could be assigned the Finance Officer position and become a member of the Government Finance Officers Association which would provide access to routine GFOA training. The membership and training would provide depth of understanding and updated information about local government financial best management practices.

Item: Consider outside accounting services. Consider outsourcing certain functions in the financial management system including: accounts payable, bank reconciliations, monthly reporting, and the preparation of monthly financial documents for the Board and for the annual audit. The accounting services should supplement not replace the Finance Officer's duties. The outsourcing could prevent business interruption during periods of transition. It also provides an important internal control for the Borough.

Item: Provide GFOA training and memberships for finance personnel. In order to further enhance and protect the Borough assets, the Borough should sponsor memberships for its finance personnel in the Government Finance Officers Association (GFOA) of PA and provide training funds to attend the annual conference and to participate in ongoing training opportunities through the Local Government Academy.



Item: Fee Resolution. Annually review fees to ensure that they are capturing all costs. Consider developing a fee structure for renting the park pavilion on 16th Street. *[Note: The Consultants will provided sample fee resolutions.]*

Item: Review bank accounts and assign each to a fund. It is important that all bank accounts are identified and included on the balance sheet associated with a specific fund. Funds should be set up with specific bank accounts assigned. Each fund should have a budget and cash balances should be reported on a monthly basis.

Item: Develop a Comprehensive Budget Process. The annual budget establishes the level of service, programs, projects, and policy initiatives for the entire year. The following enhancements to the budget process should be incorporated.

- Distribute **BUDGET WORKSHEETS** to Department Directors that include at least three years of prior year actual data.



- Use a **BUDGET CALENDAR** that is published and distributed within and outside of the Borough organization. The calendar enables the persons who are involved in the budget process (the Council and the Department Directors) to plan accordingly for workshops, public presentations, and adoption of the final budget.
- Schedule several public **BUDGET WORKSHOPS** so that the budget can be explained and the Council can receive comments from the citizens.
- Prepare and include a **BUDGET MESSAGE** in plain language that accompanies the initial presentation of the budget to the Council and the public for preliminary review. The budget message should include areas of financial concern such as a reduction in revenues, the need for a tax rate increase, or changes to staffing or service levels. The budget document itself should be presented in a format that is clearly understandable to officials, the public, and the media.

Item: Parking Study. Perform a parking study of the Borough's metered spaces to determine if parking meter revenues are consistent with occupancy rates. If collections are low, then further action may be needed such as ensuring that there are a variety of payment options for users, clear signage, or increasing enforcement.

Item: Borough Building Lease. Review the Borough's facility rental leases (library, the fire department, and gymnasium) to clarify what the Borough's maintenance responsibilities and liability are and how the terms and rates compare to other commercial leases in the market area. Renegotiate, if necessary. Currently, the Borough has most of the responsibility for maintenance and liability. *[Note: The Borough Manager and Committee are in the process of reviewing the leases.]*

Item: Closely Review the Annual DCED Audit Report

The Borough should have a discussion with the independent auditor about the way that the annual DCED audit is presented. Some entries should be examined:

- The Annual DCED audit is required to be submitted by April 1 of each year. The Borough should require that the independent auditor makes this submission to the Borough officials and to DCED by the legal deadline.
- There are large balances in Line Item 130 Due from Other Funds and in Line Item 230 Due to Other Funds in both the General Fund and Utility Fund. These should be reconciled and cleared annually so that they don't impact the balance sheet negatively or positively. Large amounts in these funds distort the cash position and create considerable uncertainty about the financial condition of the Borough.

- Cash accounts should be assigned to each fund and reconciled timely and accurately. The Borough should work with their independent auditors to set up and report these cash accounts accurately.

[Note: The Borough Manager has had discussions with the independent auditors to address these concerns. The proper transactions will be made so that they are reflected and cleared by December 31, 2022. The Borough has developed a Request for Proposals for auditing services.]

Item: Prevent Outside Groups from Using the Borough's EIN

During the course of this review, it was noted that outside groups who interact with the Borough occasionally use the Borough's Employment Identification Number (EIN) for the purpose of collecting money, opening bank accounts, and submitting grant applications. The Borough should request a list of accounts with the Borough's EIN from the local banks to determine whether outside groups (or Borough departments) are using the Borough's EIN. If there are groups who are using the Borough's EIN, they should be notified to file for their own EIN and to cease using the Borough's EIN without permission. If there are Borough departments using the Borough's EIN (for example, the police department) they should be directed to turn over the account to the Borough so that it can be included in the Borough's accounting system and is subject to regular audits. *[The Borough Manager and Committee have requested information from the banks to review all accounts with the Borough's EIN and will eliminate the practice of outside groups using the Borough's EIN to open accounts and to apply for grants.]*

Item: Develop and Adopt a Fiscal Procedures Ordinance

The Borough does not have a fully developed procedure manual or method for handling financial transactions that would establish the proper internal controls. The Ordinance should include cash management, purchasing, budgeting, payroll and accounts payable procedures. This would be invaluable during times of transition in staffing.

Item: Develop a 5-Year Capital Improvement Plan (CIP)

The development of the CIP should be undertaken separately from the annual budget process and should include all projects (infrastructure, facilities, vehicles, parks, technology), including those that are grant funded, with descriptions, estimated costs, estimated schedules, and identified revenue sources to support the projects and equipment. The plan should also identify the impact that each capital project will have on the operating budget for specific fiscal years. The annual capital budget should be based on the multiyear CIP.

REVENUE - ENHANCEMENTS

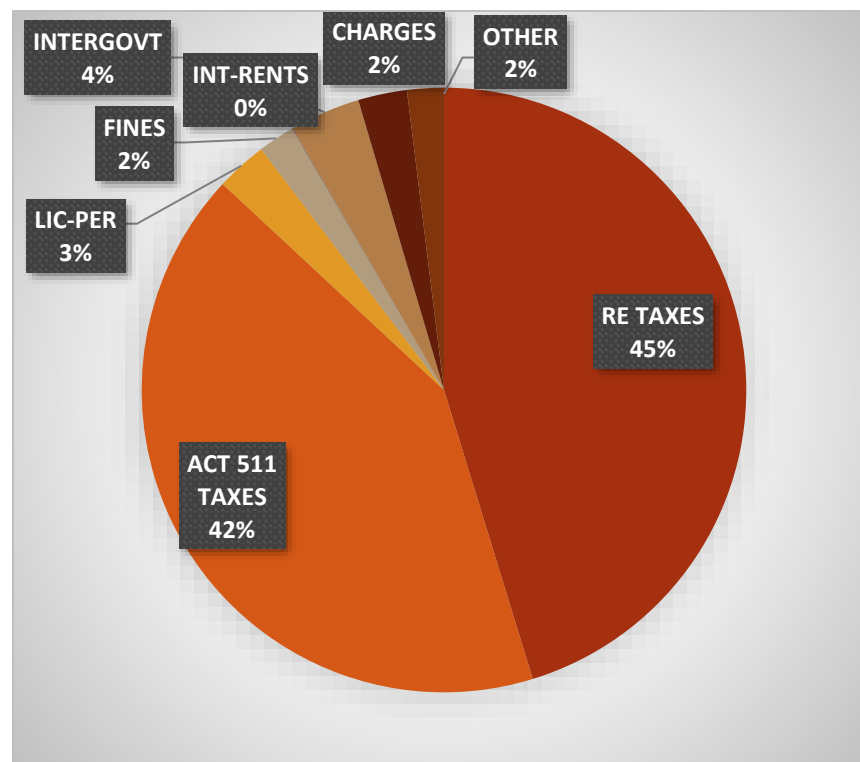
The following provides a review of revenue with recommendations for revenue enhancement strategies.

TABLE 5: REVENUE COLLECTION BY SOURCE

REVENUES	2019	2020	2021
Real Estate Taxes	846,915	936,625	971,478
Act 511 Taxes	929,978	811,736	894,475
Licenses-Permits	81,204	109,793	58,927
Fines	48,309	38,902	41,818
Interest-Rents	7,552	1,656	1,008
Intergovernmental	111,926	82,578	80,653
Charges for Svcs.	151,400	128,155	56,166
Other Revenue	51,128	45,614	42,088
Total Revenue	2,228,412	2,155,059	2,146,614

- Taxes make up 87% of all revenue
- Due to a millage increase in 2020, real estate taxes increased 3.7% between 2020 & 2021
- Act 511 taxes decreased during the pandemic but are recovering slightly in 2021
- Charges for services decreased 66% between 2018 and 2021 due to the loss of water fees
- The 2022 Intergovernmental revenues include a non-recurring \$500,000 streetscape grant
- Most other revenue sources are flat or decreasing

FIGURE 1: 2021 REVENUE SOURCES



Real Estate Taxes

The Borough levies 7.5 mills of real estate taxes on approximately \$128 million of assessed value. This generates about \$116,000 for each mill levied (see Table 6 for a complete calculation). The collection rate for real estate taxes is very good at about 92% of the billed amount. This calculation should be completed each year in order to adjust the millage accordingly during the budget process. This ensures that collections are keeping up with increasing costs and that revenues will be sufficient to support expenditures.

TABLE 6: DOLLARS PER MILL OF REAL ESTATE TAX

Item	2017	2018	2019	2020	2021	2022
Assessed Value	110,492,987	112,052,058	122,529,466	125,144,796	127,865,196	128,111,396
Real Estate Taxes - GL	7.000	7.000	7.000	7.500	7.500	7.500
Real Estate Taxes - Debt	0.150	0.150	0.150	0.000	0.000	0.000
Total Tax Levy (in Mills)	7.150	7.150	7.150	7.500	7.500	7.500
Total Collection (Expected)	790,025	801,172	876,086	938,586	958,989	960,835
2% Discount Assumption	774,224	785,149	858,564	919,814	939,809	941,619
Actual Current YR Collection	692,980	686,977	790,725	866,250	870,207	870,000
Collection Rate (%)	89.5%	87.5%	92.1%	94.2%	92.6%	92.4%
\$ Per Mill	96,920	96,081	110,591	115,500	116,028	116,000

Item: Maintain accurate millage values.

When budgeting for a real estate tax increase, review historical collections data to develop the most accurate estimated value of the Borough’s millage.

Item: Pursue delinquent taxes aggressively.

Aggressively pursue delinquent collections, including lien filings and sheriff sales. It is important to collect all taxes that have been previously levied before higher millage rates are approved and enacted.

ACT 511 Taxing Authority

The Borough also levies several taxes under the authority of Act 511. The statutory limits and the respective municipal and school district levies are shown in **Table 8**.

TABLE 8: ACT 511 TAXING LIMITS

ACT 511 TAXING CATEGORIES	LIMIT	SHARPSBURG BOROUGH	FOX CHAPEL SD
Local Services Tax (LST)	\$52	\$47	\$5
Earned Income Tax (Residents)	1%	.5%	.5%
Earned Income Tax (Non-Residents)	1%	.5%	N/A
Real Estate Transfer	1%	.5%	.5%
Mechanical Devices Tax	No Limit	\$500	N/A
Per Capita	\$10	\$5	\$5
Business Privilege Tax	1 mill wholesale	.5 Mills	N/A
	1 1/2 mills retail	.75 Mills	N/A
	No limit on other businesses	N/A	N/A

Item: Ensure accurate EIT account information.

Cross reference utility billing customer information and rental registration information with the EIT collection accounts. This will ensure that all taxpayers are paying their fair share of municipal ACT 511 taxes.

Item: Cross reference building/zoning permits

Track collection information for business accounts with the code enforcement and zoning personnel to ensure that all businesses are paying their fair share of mercantile wholesale and retail taxes.

Item: Consider flat business privilege tax

Consider a flat business privilege tax for all other businesses that are not currently paying wholesale and retail taxes.

Item: Consider Storm Water Management Fees

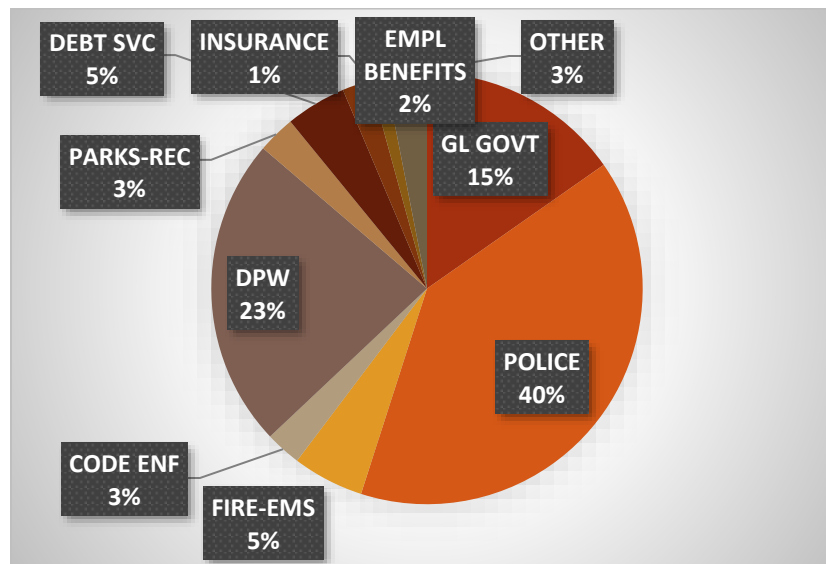
Currently, the Borough has limited funding sources with the exception of the general fund to address storm water infrastructure needs and flooding needs. For this reason, the Borough should consider implementing a stormwater utility fee. There are various methods used to develop fees for residents and commercial properties as well as credit systems for retaining and implementing sound stormwater management practices. See **Appendix G** for a case study.



EXPENDITURES - COST CONTAINMENT

The Borough has done a good job of containing costs over the past several years holding the rate of increase to only 1% per year. **Figure 2** illustrates the General Fund funding uses.

FIGURE 2: EXPENDITURE USES



- Police expenditures (at 40%) make up the largest component of the budget, followed by Public Works (at 23%) expenditures
- Employee Benefits are not accurately reflected in the table and chart, as they are distributed to each department’s personnel costs in the budget
- 50% of Insurance costs are shared between the General Fund and the Utility Fund
- Debt service is 5% of the total budget – this is within the 10% limit recommended for best practices

- **Expenditures have exceeded revenues in each of the last 4 years – this is a dangerous trend.**

TABLE 9: EXPENDITURES BY USE 2019-2021

EXPENDITURES	2019	2020	2021
General Government	310,962	544,331	364,979
Police	982,958	992,099	947,357
Fire-EMS	76,117	131,826	127,573
Code Enforcement	72,600	78,308	63,955
Public Works	450,636	416,496	556,379
Parks-Recreation	203,630	57,583	67,419
Debt Service	147,617	151,778	108,396
Employee Benefits	9,090	42,166	50,392
Insurance	28,010	28,193	28,183
Other Financing Uses	56,278	41,747	73,656
Total Expenditures	2,337,898	2,484,527	2,388,290

Pension Funding History

The Borough’s annual required pension contribution is approximately \$78,000 with state aid covering a portion of this payment. The Borough had excess state aid in 2018 and 2019. However, in 2020 state aid decreased significantly and this was the first year that the Borough had to pay a portion of the MMO out of general fund revenue. Although pension liabilities are not a significant burden for the Borough, it should be noted that, since 2020, the local share that is paid by the Borough has been increasing.

TABLE 10: PENSION MMO AND STATE AID HISTORY

Year	Pension MMO	State Aid*	Local Share	% Paid By Borough
2018	\$78,812	\$82,348	\$0	0.0%
2019	\$85,321	\$87,321	\$0	0.0%
2020	\$63,802	\$61,151	\$2,651	4.2%
2021	\$68,317	\$62,594	\$5,723	8.4%
2022	\$77,467	\$63,846	\$13,621	17.6%

*State Aid is projected for 2022

FIGURE 3: PENSION CONTRIBUTIONS BY SOURCE

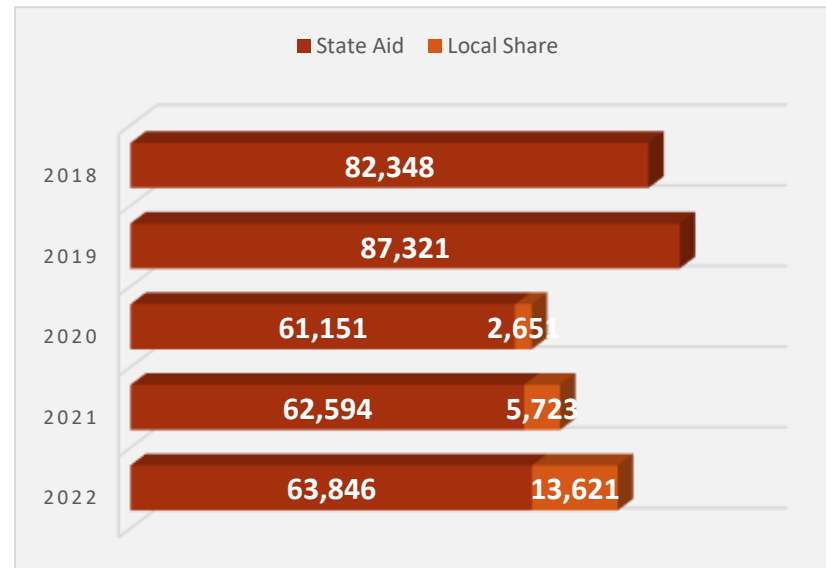


TABLE 11: PENSION FUNDING STATUS

Year	Assets	Liabilities	% Funded	Status
2020	\$3,811,311	\$3,434,128	111.0%	Not Distressed
2018	\$3,518,685	\$3,308,474	106.4%	Not Distressed
2016	\$2,983,383	\$3,004,014	99.3%	Not Distressed
2014	\$2,641,059	\$2,721,344	97.0%	Not Distressed
2012	\$2,496,113	\$2,678,031	93.2%	Not Distressed
2010	\$2,557,689	\$2,608,600	98.0%	Not Distressed

Currently, the pensions are well funded with assets that are in excess of liabilities and are reported by the Attorney General as “not distressed.” However, the local share has been slowly increasing over the last couple years.

In order to contain increased pension costs, the Borough should not approve any new pension benefits during collective bargaining, ensure that employees are paying the maximum contribution allowable, and consider paying down the pension liabilities so that the MMO is reduced to the state funding level of \$60,000.

Item: Cost Analysis for Additional Hires

Include a complete **ANALYSIS OF COST** prior to any new planned hire in any department. The Borough's personnel costs make up about 80% of the overall budget. For this reason, it is critical to evaluate every position prior to Council approval of a new hire. The analysis should include not only starting costs but projected benefit and pension costs over the entire employment period, with adjustments for

estimated inflation rates. The costs should be weighed against the value that will be provided to the Borough if the hire occurs (for example a police hire that results in a reduction in crime, a more aggressive code enforcement program that stabilizes housing stock, or an administrative position that will assist with better citizen access and the identification of grants and investments.) The Sharpsburg residents deserve quality services at the lowest price. Preserving assets and resources for these services is part of the leadership responsibility.

SEWER AND UTILITY FUND

The Utility Fund includes Sewer and Trash Collection activities. The Sewer Rate structure has changed several times since 2018 and actually decreased in 2021. This is partly due to the Borough absorbing the fees charged by ALCOSAN for sewage treatment rather than passing those fees along to residents. As a result, the Utility Fund has operated on a deficit every year except for 2018 and is expected to continue this trend unless there is an intervention and corrective action is taken by the Borough.

TABLE 12: UTILITY (SEWER) FUND REVENUES

REVENUES	2019 Audited	2020 Audited	2021 Actual
Interest-Rents	18,164	5,584	696
Grants	-	146,000	-
Charges for Services	1,021,767	1,135,395	1,168,954
Total Revenue	1,039,931	1,286,979	1,169,650

TABLE 13: UTILITY (SEWER) FUND EXPENDITURES

EXPENDITURES	2019 Audited	2020 Audited	2021 Actual
General Government	158,842	-	199,046
Public Works - Sanitation	1,038,752	1,282,570	897,333
Debt Service	13,160	11,732	50,948
Insurance	28,010	28,193	28,183
Other Financing Uses	-	7,737	9,061
Total Expenditures	1,238,764	1,330,232	1,184,571
Utility Fund Net Operating Result	-198,833	-43,253	-14,921

Item: Set fees at appropriate rate to cover costs.

Evaluate water rates on an annual basis to ensure that collections are keeping up with increasing costs. The sewer and garbage funds are proprietary (enterprise) funds and should be self-sustaining and self-supporting. This will be easier to track with revenue and expenditures set up in separate funds.

[NOTE: This has been implemented by the Borough Manager for the 2023 budget.]

Item: Combine the sewer related funds.

The Utility Fund and the Sewer Maintenance Fund should be combined into one Sewer Fund that acts as a true proprietary fund, where the sewer revenues fully fund the operations of

the system and all of the sewer projects related to the maintenance fee. Alternatively, all costs, activities, and expenditures related to the garbage (refuse collection) should be moved to the General Fund.

[NOTE: This has been implemented by the Borough Manager for the 2023 budget.]

Item: Ensure that sewer rates reflect actual costs.

Evaluate sewer rates on annual basis to ensure that collections will cover ALCOSAN’s sewer treatment expenses, as well as the Borough’s annual O&M expenses, Consent Order requirements, administrative costs, and emergency repairs. Costs that are levied by ALCOSAN should be passed on to residents and the Borough’s ordinance should be amended to make this an automatic process.

NOTE: There has been an analysis of fees and fee adjustment by the Borough Manager for the 2023 budget.

Item: Consider annual interfund transfer based on actual expenditures associated with the General Fund.

Currently, nearly half of the Borough’s General Government expenditures, as well as salaries of elected officials and Borough insurances are split between the General Fund and Sewer Fund. If a municipality does not bill directly, the Public Works Department spends the most time dealing with sewage-related matters. The Borough should evaluate what support the General Fund activities provide to the Sewer Fund and consider an annual interfund transfer instead.

LIQUID FUELS FUND

The Liquid Fuels Fund consists entirely of revenues derived from the Motor Vehicle Fuel Tax. The Borough primarily uses

these revenues to pay the monthly street lighting bills and for limited road and bridge repair.

TABLE 14: LIQUID FUELS – HISTORY OF REVENUE & EXPENDITURES

	CATEGORY	2019 AUDITED	2020 AUDITED	2021 ACTUAL
	REVENUES			
341	Interest Earnings	620	143	29
355	Motor Vehicle Tax	93,992	91,484	84,941
	Total State Funds	93,992	91,484	84,941
	TOTAL	94,612	91,627	84,970
	EXPENDITURES			
434	Street Lighting	38,521	56,822	60,424
438	Maint/ Repairs of Roads and Bridges	49,400	10,977	42,376
	TOTAL	87,921	67,799	102,800
	Net Operating Result	6,691	23,828	-17,830

The Borough has historically paid road maintenance expenditures out of both the Liquid Fuels Fund and the General Fund.

The Liquid Fuels Fund does not have an annual budget, but is maintained in a separate bank account. Using Liquid Fuels funds for paving projects can lead to increased project costs and a more complicated audit process.

Item: Develop a Liquid Fuels Fund budget

Create an annual Budget for the Liquid Fuels Fund and make sure it is set up in the accounting system. *[NOTE: This has been implemented by the Borough Manager for the 2023 budget.]*

Item: Limit the use of Liquid Fuels funds to street lighting and road salt (winter maintenance material).

Consider using Liquid Fuels funds for street lighting and road salt. If the Liquid Fuels Fund accumulates a larger fund balance, excess funds could be used towards an approved one-time payment for a vehicle or equipment. *[NOTE: This has been implemented by the Borough Manager for the 2023 budget.]*

Item: Develop a pavement management plan.

Work with the Borough Engineer to determine the estimated cost of a 10-year paving plan schedule for the Borough’s 7.6 road miles and develop a pavement maintenance program, updating the plan on an annual basis. A pavement maintenance plan should consist of mill and overlay projects, as well as yearly preventative maintenance such as a crack-sealing and sealcoating program that will extend the life of the roads and save money in the long-run.

Item: Consider multi-year paving projects.

Instead of yearly mill & overlay projects, consider making a dedicated annual transfer into a Capital Fund and bid projects every 3 to 5 years. This helps save on engineering and contractor mobilization expenses. Yearly preventative maintenance activities should still occur.

FUTURE OUTLOOK - FUTURE SOLVENCY

Based on this review, it is the Consultant’s opinion that the Borough will be able to meet liability and operational requirements during fiscal year 2022 and 2023 partly because ARPA funds are available for lost revenue and cash reserves are available. The Borough’s budget provides sufficient revenue sources and expense requirements for maintaining budget solvency. But there is significant uncertainty about long-term financial stability because the Borough has run deficits in both the general and proprietary (enterprise) funds for multiple years.

Without intervention and the reduction of liabilities in the future, there is considerable uncertainty as to whether the Borough’s financial condition will meet the solvency indicators beginning in fiscal year 2024 because the expenditures are expected to rise at a faster pace than revenues and federal funds will not be available for operating costs. Without an increase in the revenue collected or a substantial reduction in services, in 2024 and 2025, the Borough will experience gaps between its ongoing operational expenses and its ability to generate sufficient revenue that will result in structural deficits.

REVENUES	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Budget	2022 Projected	2023 Projected	2024 Projected
Real Estate Taxes	761,085	846,915	936,625	956,163	940,000	979,696	989,493	999,388
Act 511 Taxes	919,038	929,978	811,736	862,130	818,570	892,017	904,912	918,057
Licenses-Permits	103,819	81,204	109,793	62,395	82,300	114,188	59,034	111,903
Fines	31,629	48,309	38,902	40,519	34,500	34,500	39,500	39,500
Interest-Rents	13,768	7,552	1,656	1,022	710	4,136	4,125	4,125
Intergovernmental	106,547	111,926	82,578	79,491	163,086	80,796	82,035	83,431
Charges for Services	167,692	151,400	128,155	117,820	71,775	69,000	76,500	76,500
Other Revenue Sources	50,885	51,128	45,614	15,131	41,120	62,166	40,500	40,500
Total Revenue	2,154,463	2,228,412	2,155,059	2,134,671	2,152,061	2,236,498	2,196,099	2,273,404
EXPENDITURES	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Budget	2022 Projected	2023 Projected	2024 Projected
General Government	231,946	310,962	544,331	371,850	320,517	333,901	326,768	331,417
Police	982,985	982,958	992,099	953,581	1,003,671	973,993	1,028,762	1,054,481
Fire-EMS	94,807	76,117	131,826	127,573	136,646	136,646	139,812	143,057
Code Enforcement	58,994	72,600	78,308	64,102	66,201	69,500	71,238	73,018
Public Works	470,953	450,636	416,496	554,463	474,444	531,870	485,949	496,995
Parks-Recreation	103,105	203,630	57,583	96,430	53,731	53,731	54,514	55,317
Debt Service	137,511	147,617	151,778	149,163	108,397	88,255	88,255	88,255
Employee Benefits	29,060	9,090	42,166	42,309	37,329	51,471	55,669	60,285
Insurance	38,503	28,010	28,193	28,183	28,183	28,183	29,451	30,777
Other Financing Uses	95,689	56,278	41,747	54,006	45,162	55,700	57,063	58,459
Total Expenditures	2,243,553	2,337,898	2,484,527	2,441,660	2,274,280	2,323,250	2,337,481	2,392,063
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-89,090	-109,486	-329,468	-306,989	-122,218	-86,752	-141,381	-118,659
Non-Recurring Financing Sources								
Carry Over								
Proceeds from Debt								
Proceeds from Fixed Asset Distribution	642							
Local Govn't Grants				3804				
State Grants	2,555	63,825	1,404	175,051	125,000	174,744		
State Grants - Street Sweeper Liability						-225,584		
State Grant - Streetscape Revenue					500,000	500,000		
State Grant - Streetscape Expense					-500,000	-500,000		
Federal Grants			80,000					
ARPA Funds								
Total Non-Recurring Sources	3,197	63,825	81,404	178,855	125,000	-50,840	-	-
EXCESS/DEFICIT OF REVENUES OVER	-85,893	-45,661	-248,064	-128,134	2,782	-137,592	-141,381	-118,659

APPENDIX A – COMPARABLE COMMUNITIES INFORMATION

DEMOGRAPHICS COMPARISONS – AGE AND EDUCATION

MUNICIPALITY	POPULATION	MEDIAN AGE	% UNDER 18	% 65 & OVER	% HS GRADUATE OR HIGHER	% BACHELOR'S DEGREE OR HIGHER
EDGEWOOD	3,020	36.9	16.3%	13.5%	98.3%	68.5%
HOMESTEAD	3,168	30.8	28.2%	20.3%	85.4%	13.2%
TRAFFORD	2,957	38.6	22.4%	18.0%	89.5%	26.1%
BRACKENRIDGE	3,155	41.8	16.7%	17.9%	93.7%	20.0%
PITCAIRN	3,180	41.3	21.5%	16.0%	86.7%	12.5%
MT. OLIVER	3,304	35.8	26.8%	11.9%	84.1%	16.0%
SPRINGDALE	3,307	47.3	18.8%	24.2%	94.8%	29.8%
SHARPSBURG	3,347	43.1	17.7%	13.3%	90.3%	27.8%
ETNA	3,336	37.6	18.0%	18.3%	94.1%	25.2%
MILLVALE	3,686	44.4	14.7%	16.8%	93.4%	22.2%
PORT VUE	3,673	39.9	18.6%	20.4%	94.0%	14.6%

DEMOGRAPHIC COMPARISONS – INCOME AND HOUSING

Municipality	Unemployed	Median Household Income	% Occupied	% Vacant	% Owner-Occupied	% Renter-Occupied	Median Housing Value	Median Rent
EDGEWOOD	4.2%	\$80,606	97.8%	2.2%	63.0%	37.0%	\$228,570	\$993
HOMESTEAD	13.6%	\$26,563	71.8%	28.2%	28.2%	71.8%	\$58,000	\$769
TRAFFORD	6.1%	\$44,940	84.3%	15.7%	62.9%	37.1%	\$115,100	\$732
BRACKENRIDGE	2.5%	\$40,146	87.5%	12.5%	63.6%	36.4%	\$71,900	\$646
PITCAIRN	10.9%	\$34,882	91.5%	8.5%	38.2%	61.8%	\$72,100	\$663
MT. OLIVER	8.1%	\$31,890	76.8%	23.2%	46.9%	53.1%	\$55,700	\$919
SPRINGDALE	7.7%	\$56,027	92.4%	7.6%	63.4%	36.6%	\$111,884	\$671
SHARPSBURG	12.5%	\$37,871	85.3%	14.7%	44.8%	55.2%	\$78,300	\$820
ETNA	5.5%	\$42,219	95.7%	4.3%	54.5%	45.5%	\$91,800	\$744
MILLVALE	5.1%	\$44,694	83.9%	16.1%	42.5%	57.5%	\$74,700	\$793
PORT VUE	3.9%	\$58,368	89.7%	10.3%	77.6%	22.4%	\$67,700	\$894

DEMOGRAPHIC COMPARISONS – SUMMARY REVENUE AND EXPENDITURES

Municipality Name	Population	County Name	Total Revenues	Total Expenditures	Revenues Over Expenditures
EDGEWOOD	3,118	ALLEGHENY	4,881,456	4,352,154	529,302
HOMESTEAD	3,165	ALLEGHENY	5,815,750	5,595,555	220,195
TRAFFORD	3,174	WESTMORELAND	5,442,126	5,520,392	-78,266
BRACKENRIDGE	3,260	ALLEGHENY	3,150,487	2,989,037	161,450
PITCAIRN	3,294	ALLEGHENY	6,105,298	5,634,749	470,549
MOUNT OLIVER	3,403	ALLEGHENY	4,152,267	4,505,657	-353,390
SPRINGDALE	3,405	ALLEGHENY	5,961,885	5,312,884	649,001
SHARPSBURG	3,446	ALLEGHENY	4,470,091	4,550,190	-80,099
ETNA	3,451	ALLEGHENY	4,923,053	4,783,606	139,447
MILLVALE	3,744	ALLEGHENY	4,572,024	4,677,839	-105,815
PORT VUE	3,798	ALLEGHENY	3,527,083	2,905,984	621,099

DEMOGRAPHIC COMPARISONS - REVENUE DETAIL

MUNICIPALITY NAME	REAL ESTATE TAX	EARNED INCOME TAX	REALTY TRANSFER TAX	LOCAL SERVICES TAX	BUSINESS GROSS RECEIPTS	INTERGOVT - FEDERAL	INTERGOVT - STATE	INTERGOVT - LOCAL	SEWER REVENUE	SOLID WASTE REVENUE	PARKING REVENUE
EDGEWOOD	1,925,252	789,178	110,863	46,875	0	0	212,990	80,000	1,036,966	1,220	39,194
HOMESTEAD	2,459,592	224,279	21,300	111,209	10,154	80,000	315,172	39,371	1,371,653	155,361	79,063
TRAFFORD	774,281	373,327	54,613	29,396	0	31,537	206,339	4,564	1,184,695	0	1,460
BRACKENRIDGE	494,483	266,412	23,767	20,292	0	0	513,901	92,289	72,341	281,614	0
PITCAIRN	503,729	216,900	12,882	14,878	6,743	0	175,932	0	785,750	273,357	3,351
MOUNT OLIVER	843,368	426,191	51,830	14,271	12,100	0	421,545	95,304	1,040,381	186,269	18,716
SPRINGDALE	1,237,782	369,973	31,006	46,240	0	0	460,194	14,062	494,343	342,025	0
SHARPSBURG	936,625	315,455	40,116	77,102	218,389	80,000	173,757	147,709	864,602	270,043	10,088
ETNA	1,034,530	371,788	47,832	46,063	122,507	362,151	703,865	99,422	989,514	379,468	3,900
MILLVALE	852,771	337,649	42,567	33,184	70,971	0	248,194	92,636	1,064,031	320,676	9,794
PORT VUE	875,989	358,416	27,883	0	0	80,000	158,940	534,500	1,470	262,015	0

MUNICIPALITY NAME	CULTURE AND RECREATION REVENUE	OTHER FEES FOR SERVICE	LICENSES AND PERMITS	CABLE TV FRANCHISE FEES	FINES AND FORFEITS	INTEREST RENTS ROYALTIES	CONTRIBUTIONS AND DONATIONS	OTHER FINANCING SOURCES
EDGEWOOD	7,942	190,073	5,660	59,117	53,685	20,307	0	177,641
HOMESTEAD	335	168,497	268,425	37,210	58,138	9,411	0	72,543
TRAFFORD	5,250	59,139	23,077	58,313	22,782	2,831	9,609	2,583,580
BRACKENRIDGE	0	8,778	8,630	48,854	14,995	20,945	0	2,383
PITCAIRN	10,338	129,548	31,841	33,393	19,998	15,944	567,352	1,123,233
MOUNT OLIVER	1,765	176,270	18,590	29,093	82,976	4,441	65,002	388,975
SPRINGDALE	93	72,401	1,470	60,921	14,675	18,504	0	1,403,604
SHARPSBURG	0	118,817	49,670	60,123	38,902	14,705	18,600	874,714
ETNA	2,865	75,028	26,650	62,024	23,609	106,430	26,240	272,488
MILLVALE	2,553	94,746	2,850	62,770	40,239	113,993	53,630	934,398
PORT VUE	0	27,255	20,879	71,242	11,117	12,303	86,099	830,146

DEMOGRAPHIC COMPARISONS - EXPENDITURE DETAIL

MUNICIPALITY NAME	GENERAL GOVT	POLICE	FIRE	UCC AND CODE	OTHER PUBLIC SAFETY	PUBLIC WORKS AND STREETS	SEWER	SOLID WASTE
EDGEWOOD	388,503	1,392,592	301,261	0	222,777	538,835	801,200	0
HOMESTEAD	494,027	1,581,596	151,784	193,717	6,993	774,852	1,021,064	215,249
TRAFFORD	347,800	529,247	23,602	53,280	44,512	191,928	1,238,444	0
BRACKENRIDGE	143,411	511,549	74,532	34,098	0	580,167	8,309	281,125
PITCAIRN	321,179	625,417	48,657	100,765	18,800	964,382	564,297	230,399
MOUNT OLIVER	723,597	743,816	122,728	129,742	3,298	910,343	614,746	187,843
SPRINGDALE	407,374	636,314	52,091	11,685	33,749	935,782	382,988	214,464
SHARPSBURG	544,331	992,099	121,826	78,308	51,747	1,133,351	1,054,751	227,819
ETNA	292,845	677,242	115,042	31,350	10,000	708,863	717,487	329,864
MILLVALE	695,483	979,220	68,618	59,991	84,405	565,290	913,879	317,784
PORT VUE	867,767	288,720	79,620	1,175	0	529,937	3,168	235,150

MUNICIPALITY NAME	CULTURE AND RECREATION	LIBRARIES	DEBT SERVICE	OTHER EXPENDITURES	OTHER FINANCING USES
EDGEWOOD	56,837	38,500	187,710	328,656	95,283
HOMESTEAD	20,801	137,058	69,689	363,796	155,159
TRAFFORD	14,891	3,770	2,732,709	239,438	91,076
BRACKENRIDGE	19,357	1,000	80,112	144,989	413
PITCAIRN	37,903	0	256,455	144,531	1,108,006
MOUNT OLIVER	27,316	0	209,356	358,519	375,000
SPRINGDALE	48,151	36,513	1,131,318	327,873	322,260
SHARPSBURG	27,691	29,892	163,510	98,552	12,737
ETNA	567,452	0	415,937	406,825	5,000
MILLVALE	34,319	16,960	259,748	74,203	458,171
PORT VUE	67,897	0	327,478	0	502,327

TAX BURDEN COMPARISONS – NEIGHBORING COMMUNITIES

Municipality	Population	Median Household Income	2021 Median Assessed Value	2021 Millage (Local)	2021 Millage (Local, School, County)	2021 Median Real Estate Tax Bill (Local, School, County)	% of Median Household Income
ASPINWALL	2,687	\$100,294	\$189,100	6.86	31.7169	\$5,998	6.0%
BLAWNOX	1,580	\$36,089	\$90,250	9.85	34.7069	\$3,132	8.7%
ETNA	3,336	\$42,219	\$57,200	9.00	37.2619	\$2,131	5.0%
FOX CHAPEL	5,104	\$233,776	\$503,350	2.95	27.8069	\$13,997	6.0%
MILLVALE	3,686	\$44,694	\$37,500	10.00	38.2619	\$1,435	3.2%
O'HARA	8,825	\$93,490	\$194,000	5.00	29.8569	\$5,792	6.2%
RESERVE	3,243	\$65,964	\$93,250	5.47	33.7319	\$3,145	4.8%
SHALER	27,862	\$76,611	\$130,400	3.49	31.7519	\$4,140	5.4%
SHARPSBURG	3,347	\$37,871	\$52,400	7.50	32.3569	\$1,696	4.5%

- The average tax bill for Sharpsburg is \$1,696, or about 4.5% of the median income
- Fox Chapel, Aspinwall, and O'Hara have the highest tax bills, while Millvale, Sharpsburg, and Etna have the lowest tax bills. This is because the average median assessed values are much lower in Sharpsburg and, as a result, are a much lower percentage of median household income..
- As a percentage of income, residents of Blawnox and O'Hara spend the most on real estate taxes, while Millvale, Sharpsburg, and Reserve spend the least.

APPENDIX B – GENERAL FUND TREND ANALYSIS 2018 – 2024

SUMMARY REVENUE HISTORY AND PROJECTIONS

REVENUES	2018 AUDITED	2019 AUDITED	2020 AUDITED	2021 ACTUAL	2022 BUDGET	2022 PROJECTED	2023 PROJECTED	2024 PROJECTED
Real Estate Taxes	761,085	846,915	936,625	969,996	940,000	979,696	989,493	999,388
Act 511 Taxes	919,038	929,978	811,736	893,125	818,570	892,017	904,912	918,057
Licenses-Permits	103,819	81,204	109,793	60,277	82,300	114,188	59,034	111,903
Fines	31,629	48,309	38,902	41,818	34,500	34,500	39,500	39,500
Interest-Rents	13,768	7,552	1,656	1,008	710	4,136	4,125	4,125
Intergovernmental	106,547	111,926	82,578	79,490	163,086	80,796	82,035	83,431
Charges for Services	167,692	151,400	128,155	58,812	71,775	69,000	76,500	76,500
Other Revenue Sources	50,885	51,128	45,614	42,088	41,120	62,166	40,500	40,500
Total Revenue	2,154,463	2,228,412	2,155,059	2,146,614	2,152,061	2,236,498	2,196,099	2,273,404

SUMMARY EXPENDITURE HISTORY AND PROJECTIONS

EXPENDITURES	2018 AUDITED	2019 AUDITED	2020 AUDITED	2021 ACTUAL	2022 BUDGET	2022 PROJECTED	2023 PROJECTED.	2024 PROJECTED
General Government	231,946	310,962	544,331	364,979	320,517	333,901	326,768	331,417
Police	982,985	982,958	992,099	947,357	1,003,671	973,993	1,028,762	1,054,481
Fire-EMS	94,807	76,117	131,826	127,573	136,646	136,646	139,812	143,057
Code Enforcement	58,994	72,600	78,308	63,955	66,201	69,500	71,238	73,018
Public Works	470,953	450,636	416,496	556,379	474,444	531,870	485,949	496,995
Parks-Recreation	103,105	203,630	57,583	67,419	53,731	53,731	54,514	55,317
Debt Service	137,511	147,617	151,778	108,396	108,397	108,396	108,396	108,396
Employee Benefits	29,060	9,090	42,166	50,392	37,329	37,329	37,329	37,329
Insurance	38,503	28,010	28,193	28,183	28,183	28,183	29,451	30,777
Other Financing Uses	95,689	56,278	41,747	73,656	45,162	55,700	57,063	58,459
Total Expenditures	2,243,553	2,337,898	2,484,527	2,388,290	2,274,280	2,329,249	2,339,283	2,389,248
General Fund Net Operating Result	-89,090	-109,486	-329,468	-241,676	-122,218	-92,751	-143,183	-115,844

DETAIL REVENUE HISTORY AND PROJECTIONS 2018-2024

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
REVENUES									
Taxes		7.15 mills	7.15 mills	7.5 mills	7.5 mills	7.5 mills			
301.00	Real Estate Taxes	761,085	846,915	936,625	956,163	940,000	979,696	989,493	999,388
309.00	Regional Asset District Sales Tax	150,393	158,842	160,674	179,688	155,000	186,072	190,724	195,492
310.10	Real Estate Transfer Taxes	97,330	49,879	40,116	49,869	40,000	57,116	59,115	61,184
310.20	Earned Income Taxes	297,184	331,546	315,455	322,594	301,500	320,000	323,200	326,432
310.30	Business Gross Receipts Taxes	270,377	273,586	218,389	215,290	220,500	220,500	222,705	224,932
310.50	Local Services Tax **	76,654	85,025	77,102	73,119	80,000	83,979	84,819	85,667
310.70	Mechanical Device Taxes	27,100	31,100		21,570	21,570	24,350	24,350	24,350
Total Taxes		1,680,123	1,776,893	1,748,361	1,818,293	1,758,570	1,871,713	1,894,406	1,917,445
Licenses and Permits									
320-322	All Other Licenses and Permits	40,300	19,410	49,670	4,351	21,500	56,500	2,500	56,500
321.80	Cable Television Franchise Fees	63,519	61,794	60,123	58,044	60,800	57,688	56,534	55,403
Total Licenses and Permits		103,819	81,204	109,793	62,395	82,300	114,188	59,034	111,903
Fines and Forfeits									
330-332	Fines and Forfeits	31,629	48,309	38,902	40,519	34,500	34,500	39,500	39,500
Total Fines and Forfeits		31,629	48,309	38,902	40,519	34,500	34,500	39,500	39,500

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
REVENUES									
Interest, Rents and Royalties									
341.00	Interest Earnings	4,308	4,592	1,246	362	300	136	125	125
342.00	Rents and Royalties	9,460	2,960	410	660	410	4,000	4,000	4,000
Total Interest, Rents and Royalties		13,768	7,552	1,656	1,022	710	4,136	4,125	4,125
State									
355.01	Public Utility Realty Tax (PURTA)	1,384	1,415	1,585	1,555	1,500	1,500	1,463	1,426
355.02-355.03	Motor Vehicle Fuel Tax					83,633			
355.04	Alcoholic Beverage Licenses	2,850	2,450	2,850	400	400	400	400	400
355.05	General Municipal Pension State Aid	82,348	87,321	61,151	62,594	62,594	63,846	65,122	66,555
355.07	Foreign Fire Insurance Tax	13,284	14,256	14,812	13,146	13,146	13,250	13,250	13,250
355.09	Marcellus Shale Impact Fee	495	548	471	314	314	300	300	300
Total State		100,361	105,990	80,869	78,009	161,586	79,296	80,535	81,931
Local Government Units									
357.00	All Other Local Governmental Grants								
359.00	Payments in Lieu of Taxes	6,186	5,936	1,709	1,482	1,500	1,500	1,500	1,500
Total Local Government Units		6,186	5,936	1,709	1,482	1,500	1,500	1,500	1,500
Charges for Service									
361.00	General Government	61,983	68,058	58,331	44,802	2,510	4,000	4,000	4,000
362.00	Public Safety	57,424	64,683	59,736	60,580	56,265	60,000	60,000	60,000
363.20	Parking	47,485	18,084	10,088	12,438	13,000	5,000	12,500	12,500
364.30	Garbage/Solid Waste Collection	800	575						
Total Charges for Service		167,692	151,400	128,155	117,820	71,775	69,000	76,500	76,500

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
REVENUES									
Unclassified Operating Revenues									
387.00	Contributions and Donations from Private Sectors	31,221	28,400	17,400		5,000	26,500	5,000	5,000
389.00	All Other Unclassified Operating Revenues					36,120	35,666	35,500	35,500
Total Unclassified Operating Revenues		31,221	28,400	17,400		41,120	62,166	40,500	40,500
Other Financing Sources									
392.00	Interfund Operating Transfers	15,931	22,728	5,000					
395.00	Refunds of Prior Year Expenditures	3,733		23,214	15,131				
Total Other Financing Sources		19,664	22,728	28,214	15,131				
TOTAL REVENUES		2,154,463	2,228,412	2,155,059	2,134,671	2,152,061	2,236,498	2,196,099	2,273,404

DETAIL EXPENDITURE HISTORY AND PROJECTIONS 2018 – 2024

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	21,539	22,687	18,644	19,820	20,958	21,800	22,345	22,904
401.00	Executive (Manager or Mayor)	2,231	2,008	698	619	2,048	1,750	2,050	2,150
402.00	Auditing Services / Financial Administration	10,111	10,719	3,639	3,625	3,725	12,601	12,916	13,239
403.00	Tax Collection	44,350	48,872	89,385	54,245	49,080	49,080	49,571	50,067
404.00	Solicitor / Legal Services	10,907	11,395	7,094	10,636	5,500	8,000	12,500	12,500
405.00	Secretary / Clerk	37,806	40,138	41,094	42,230	53,574	33,453	54,914	56,287
406.00	Other General Government Administration	63,581	86,116	92,899	92,262	71,119	70,217	71,972	73,772
407.00	IT-Networking Services-Data Processing	2,400	2,539	4,902	2,091	275	500	500	500
408.00	Engineering Services	15,028	53,932	206,659	132,147	100,000	120,000	75,000	75,000
409.00	General Government Buildings	23,993	32,556	79,317	14,175	14,237	16,500	25,000	25,000
Total General Government		231,946	310,962	544,331	371,850	320,517	333,901	326,768	331,417

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
EXPENDITURES									
Public Safety									
410.00	Police	982,985	982,958	992,099	953,581	1,003,671	973,993	1,028,762	1,054,481
411.00	Fire	94,807	75,919	121,826	117,573	126,646	126,646	129,812	133,057
412.00	Ambulance / Rescue		198	10,000	10,000	10,000	10,000	10,000	10,000
413.00	UCC and Code Enforcement	58,994	72,600	78,308	64,102	66,201	69,500	71,238	73,018
414.00	Planning and Zoning	69,169	4,146	4,956	1,198				
415.00	Emergency Management					2,000	1,200	1,200	1,200
419.00	Other Public Safety		49,797	36,791	49,831	43,162	54,500	55,863	57,259
Total Public Safety		1,205,955	1,185,618	1,243,980	1,196,285	1,251,679	1,235,839	1,296,875	1,329,016
Public Works - Sanitation									
427.00	Solid Waste Collection								
Total Public Works - Sanitation		0	0	0					
Public Works - Highways and Streets									
430.00	General Services - Administration	341,257	359,267	363,809	480,184	375,373	440,038	384,758	394,377
431.00	Cleaning of Streets and Gutters	9,157	2,714			1,750	3,200	3,500	3,500
432.00	Winter Maintenance – Snow Removal			9,810	22,262	15,500	20,474	22,500	22,500
433.00	Traffic Control Devices	8,199	7,681	17,337	26,442	6,500	4,500	6,500	6,500
434.00	Street Lighting	29,221	20,647			30,000	21,998	22,988	24,022
437.00	Repairs of Tools and Machinery	9,236	13,015	11,964	11,206				
438.00	Maint/ Repairs of Roads and Bridges	58,250	30,000			30,000	30,000	30,000	30,000
Total Public Works - Highways, Streets		455,320	433,324	402,920	540,094	459,123	520,210	470,245	480,899
Other Public Works Enterprises									
445.00	Parking	15,633	17,312	13,576	14,369	15,321	11,660	15,704	16,097
Total Other Public Works Enterprises		15,633	17,312	13,576	14,369	15,321	11,660	15,704	16,097

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
EXPENDITURES									
Culture and Recreation									
451.00	Culture-Recreation Administration	48,090	117,640	26,460	50,219	18,200	18,200	18,200	18,200
456.00	Libraries	31,348	30,621	29,892	28,149	31,331	31,331	32,114	32,917
457.00	Civil and Military Celebrations	23,667	55,369	1,231	18,062	4,200	4,200	4,200	4,200
Total Culture and Recreation		103,105	203,630	57,583	96,430	53,731	53,731	54,514	55,317
Community Development									
463.00	Economic Development								
Total Community Development		0	0	0	0				
Debt Service									
471.00	Debt Principal	115,304	125,489	133,870	133,248	91,755	72,680	75,980	79,417
472.00	Debt Interest	21,807	22,128	17,908	15,915	16,641	15,575	12,275	8,838
475.00	Fiscal Agent Fees	400							
Total Debt Service		137,511	147,617	151,778	149,163	108,397	88,255	88,255	88,255
Employer Paid Benefits/Withholding Items									
481.00	Employer Paid Withholding Taxes	17,332				9,500	9,500	9,500	9,500
483.00	Pension Contributions								
484.00	Worker Compensation Insurance								
487.00	Other Group Insurance Benefits	11,728	9,090	42,166	42,309	27,829	41,971	46,169	50,785
Total Employer Paid Benefits/Withholdings		29,060	9,090	42,166	42,309	37,329	51,471	55,669	60,285
Insurance									
486.00	Insurance, Casualty, and Surety	38,503	28,010	28,193	28,183	28,183	28,183	29,451	30,777
Total Insurance		38,503	28,010	28,193	28,183	28,183	28,183	29,451	30,777

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021	General Fund 2022	General Fund 2022	General Fund 2023	General Fund 2024
		Audited	Audited	Audited	Audited	Budget	Projected	Projected	Projected
EXPENDITURES									
Other Financing Uses									
491.00	Refund of Prior Year Revenues	26,520	2,335		2977				
492.00	Interfund Operating Transfers								
493.00	All Other Financing Uses								
Total Other Financing Uses		26,520	2,335		2977				
TOTAL EXPENDITURES		2,243,553	2,337,898	2,484,527	2,441,660	2,274,280	2,323,250	2,337,481	2,392,063
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-89,090	-109,486	-329,468	-306,989	-122,218	-86,752	-141,381	-118,659
Non-Recurring Financing Sources									
	Carry Over								
	Proceeds from Debt								
	Proceeds from Fixed Asset Distribution	642							
	Local Govn't Grants				3804				
	State Grants	2,555	63,825	1,404	175,051	125,000	46,000		
	State Grants - Street Sweeper Liability						0		
	State Grant - Streetscape Revenue					500,000	500,000		
	State Grant - Streetscape Expense					-500,000	-500,000		
	Federal Grants			80,000					
	ARPA Funds								
Total Non-Recurring Financing Sources		3,197	63,825	81,404	178,855	125,000	46,000		
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-85,893	-45,661	-248,064	-128,134	2,782	-40,752	-141,381	-118,659

GENERAL FUND BALANCE HISTORY

		General Fund 2018	General Fund 2019	General Fund 2020	General Fund 2021
Assets and Other Debits					
100	Cash and Investments	72,250	180,007	88,969	203,246
140	Tax Receivable	170,010	120,403	150,219	
120	Accounts Receivable	78,138	127,684	69,178	186,377
130	Due From Other Funds	702,690	611,016	519,851	372,565
150	Other Current Assets				
160	Fixed Assets				
180	Other Debits				
Total Assets and Other Debits		1,023,088	1,039,110	828,217	762,188
Liabilities and Other Credits					
210	Payroll Taxes and Other Payroll				
220	All Other Current Liabilities	60,224	106,118	135,298	229,571
230	Due To Other Funds	19,584	35,373	43,364	106,183
260	Long-Term-Liabilities				
240	Current Portion of Long-Term				
Total Liabilities and Other Credits		79,808	141,491	178,662	335,754
Fund and Account Group Equity					
290	Investment in General Fixed				
270	Fund Balance / Retained	943,280	897,619	649,555	426,434
290	Other Equity				
Total Fund and Account Group		943,280	897,619	649,555	426,434

There are large balances in Line Item 130 Due from Other Funds and in Line Item 230 Due to Other Funds. These should be reconciled and cleared annually so that they don't impact the balance sheet negatively or positively. Large amounts in these funds distort the cash position and create considerable uncertainty about the financial condition of the Borough.

APPENDIX C - UTILITY FUND TREND ANALYSIS

DETAIL REVENUE AND EXPENDITURE HISTORY AND PROJECTIONS

REVENUES	2018 Audited	2019 Audited	2020 Audited	2021 Actual	2022 Budget	2022 Projected	2023 Projected	2024 Projected
Interest-Rents	15,625	18,164	5,584	696	200	75	75	75
Grants	-	-	146,000	-	-	-	-	-
Charges for Services	1,131,344	1,021,767	1,135,395	1,168,954	1,257,498	1,103,177	1,124,821	1,146,606
Total Revenue	1,146,969	1,039,931	1,286,979	1,169,650	1,257,698	1,103,252	1,124,896	1,146,681
EXPENDITURES	2018 Audited	2019 Audited	2020 Audited	2021 Actual	2022 Budget	2022 Projected	2023 Projected	2024 Projected
General Government	156,812	158,842	-	199,046	186,436	222,051	247,086	251,237
Public Works - Sanitation	858,247	1,038,752	1,282,570	897,333	976,934	953,253	1,012,603	1,075,812
Debt Service	14,567	13,160	11,732	50,948	50,947	50,947	50,947	50,947
Insurance	29,204	28,010	28,193	28,183	28,183	28,183	29,451	30,777
Other Financing Uses	72,398	-	7,737	9,061	12,400	12,400	15,000	15,000
Total Expenditures	1,131,228	1,238,764	1,330,232	1,184,571	1,254,900	1,266,834	1,355,087	1,423,773
Utility Fund Net Operating Result	15,741	-198,833	-43,253	-14,921	2,798	-163,581	-230,191	-277,091

UTILITY FUND BALANCE HISTORY

		Utility Fund 2018	Utility Fund 2019	Utility Fund 2020	Utility Fund 2021
Assets and Other Debits					
100	Cash and Investments	1,179,501	1,055,994	916,513	583,863
140	Tax Receivable				
120	Accounts Receivable (excluding	182,274	63,705	109,106	88,179
130	Due From Other Funds	93,008	142,860	119,068	170,777
150	Other Current Assets		114,843	104,554	111,171
160	Fixed Assets				
180	Other Debits				
Total Assets and Other Debits		1,454,783	1,377,402	1,249,241	953,990
Liabilities and Other Credits					
200	Payroll Taxes and Other Payroll Withholdings				
220	All Other Current Liabilities	169,543	332,817	365,517	213,859
230	Due To Other Funds	795,698	753,876	636,268	491,943
260	Long-Term-Liabilities				
240	Current Portion of Long-Term Debt and Other Credits				
Total Liabilities and Other Credits		965,241	1,086,693	1,001,785	705,802
Fund and Account Group Equity					
290	Investment in General Fixed Assets				
270	Fund Balance / Retained Earnings on 12/31	489,542	290,709	247,456	248,188
299	Other Equity				
Total Fund and Account Group Equity		489,542	290,709	247,456	248,188

There are large balances in Line Item 130 Due from Other Funds and in Line Item 230 Due to Other Funds. These should be reconciled and cleared annually so that they don't impact the balance sheet negatively or positively. Large amounts in these funds distort the cash position and create considerable uncertainty about the actual financial condition of the Borough.

SEWER RATES COMPARISON

MUNICIPALITY	POPULATION	MEDIAN HOUSEHOLD INCOME	2021 MUNICIPAL RATE / 1,000 GALLONS	2021 MUNICIPAL QUARTERLY SERVICE FEE	2021 ALCOSAN RATE / 1,000 GALLONS	2021 ALCOSAN QUARTERLY SERVICE FEE	2021 QUARTERLY BILL / 12,000 GALLONS	% OF MEDIAN HOUSEHOLD INCOME* (ANNUALIZED)
Aspinwall	2,687	\$100,294	\$2.50	\$0.00	\$9.10	\$19.11	\$158.31	0.6%
Blawnox	1,580	\$36,089	\$2.20	\$45.00	\$9.10	\$19.11	\$199.71	2.2%
Etna	3,336	\$42,219	\$4.61	\$30.60	\$9.10	\$19.11	\$214.23	2.0%
Fox Chapel	5,104	\$233,776	\$4.66	\$60.00	\$9.10	\$19.11	\$244.23	0.4%
Millvale*	3,686	\$44,694	\$2.90	\$4.20	\$9.10	\$19.11	\$167.31	1.5%
O'Hara	8,825	\$93,490	\$2.35	\$5.75	\$9.10	\$19.11	\$162.26	0.7%
Reserve	3,243	\$65,964	\$2.05	\$0.00	\$9.10	\$19.11	\$152.91	0.9%
Shaler	27,862	\$76,611	\$2.00	\$9.48	\$9.10	\$19.11	\$161.79	0.8%
Sharpsburg**	3,347	\$37,871	\$1.57	\$0.00	\$9.10	\$19.11	\$147.11	1.6%
<i>*\$7.85 after 5,000 gallons</i>								
<i>**\$2.20 after 3,000 gallons</i>								

- Fox Chapel, Etna, and Blawnox have the highest sewer bills, while Sharpsburg, Reserve, and Aspinwall have the lowest sewer bills
- As a percentage of income, residents of Blawnox and Etna spend the most on sewage, while Fox Chapel, Aspinwall, and O'Hara spend the least.
- The average sewer bill for Sharpsburg is \$147.11 per quarter, or about 1.6% of the median income

APPENDIX D – LIQUID FUELS FUND TREND ANALYSIS

DETAIL REVENUE AND EXPENDITURES HISTORY AND PROJECTIONS

		LIQUID FUELS 2018 AUDITED	LIQUID FUELS 2019 AUDITED	LIQUID FUELS 2020 AUDITED	LIQUID FUELS 2021 ACTUAL	LIQUID FUELS 2022 BUDGETED	LIQUID FUELS 2022 PROJECTED	LIQUID FUELS 2023 PROJECTED	LIQUID FUELS 2024 PROJECTED
	<u>REVENUES</u>								
	Interest, Rents and Royalties								
341	Interest Earnings	714	620	143	29	-	25	25	25
	Total Interest Earnings	714	620	143	29	-	25	25	25
	State Grant								
355	Motor Vehicle Fuel Tax	91,810	93,992	91,484	84,941	-	79,555	77,566	75,627
	Total State Grant	91,810	93,992	91,484	84,941	-	79,555	77,566	75,627
	TOTAL REVENUES	92,524	94,612	91,627	84,970	-	79,580	77,591	75,652
	<u>EXPENDITURES</u>								
	Public Works – Highways/Streets								
434	Street Lighting	42,290	38,521	56,822	60,424	-	63,143	65,985	68,954
438	Maint/ Repairs Roads/Bridges	18,378	49,400	10,977	42,376	-	10,000	10,000	10,000
	Total Public Works - Highways/Streets	60,668	87,921	67,799	102,800	-	73,143	75,985	78,954
	TOTAL EXPENDITURES	60,668	87,921	67,799	102,800	-	73,143	75,985	78,954
	Net Operating Result	31,856	6,691	23,828	-17,830	-	6,437	1,607	-3,302

LIQUID FUELS FUND BALANCE HISTORY

		LIQUID FUELS FUND 2018	LIQUID FUELS FUND 2019	LIQUID FUELS FUND 2020
Assets and Other Debits				
100	Cash and Investments	42,844	25,982	38,019
120	Accounts Receivable (excluding taxes)			
130	Due From Other Funds	19,584	35,373	43,364
150	Other Current Assets			
160	Fixed Assets			
180	Other Debits			
Total Assets and Other Debits		62,428	61,355	81,383
Liabilities and Other Credits				
210	Payroll Taxes and Other Payroll Withholdings			
220	All Other Current Liabilities			
230	Due To Other Funds			
Total Liabilities and Other Credits				
Fund and Account Group Equity				
290	Investment in General Fixed Assets			
270	Fund Balance / Retained Earnings on 12/31	62,428	61,355	81,383
290	Other Equity			
Total Fund and Account Group Equity		62,428	61,355	81,383

APPENDIX E - CAPITAL PLANNING

STEP	LEAD	ACTION	NO LATER THAN
1	Manager/Secretary	Assist Department Heads and Engineer to develop required schedules for facilities, infrastructure, equipment, and technology	On going
2	Manager/Secretary Department Directors Borough Engineer	Conduct field inspections, inventory	March 31
3	Department Directors	Create vehicle replacement schedule	March 31
4	Department Directors Secretary Manager	Submit Project Request Forms	April 30
5	Finance Clerk	Prepare capital project list to be reviewed by Manager/Secretary	May 15
6	Finance Committee Finance Clerk	Evaluate and Rank capital projects – facilities, infrastructure, equipment, technology	May 31
7	Finance Clerk	Identify and Source Funds	June 30
8	Manager/Secretary Finance Clerk	Prepare CIP document	July 15
9	Manager/Secretary	Submit Plan to Borough Council	August 1

APPENDIX F - SHARED SERVICES OPPORTUNITIES

- The Borough is an active member of the North Hills COG and participates in several of its programs.
- The Borough purchases Road Salt, Police Cars, and other material through the state COSTARS program and the Southwest Purchasing Alliance
- The Police provide services by agreement to the school district.
- The Police have mutual aid agreements with surrounding municipalities.
- The Fire company conducts training and has mutual aid agreements with surrounding municipalities.
- The Borough works with Shaler Township for billing and collection of water, garbage, and sewage fees.
- There are several information agreements with surrounding municipalities for sharing of equipment, services, line painting, snow removal.

APPENDIX G – STORMWATER FEES CASE STUDY