

NORTH BRADDOCK BOROUGH

2020 BUDGET HIGHLIGHTS

NOVEMBER 19, 2019

The 2020 spending plan for the North Braddock Borough totals \$3,236,200 and is similar to previous year budgets. The budget includes the mandated 7% increase in ALCOSAN sewer rates and the elimination of \$200,00.00 tax anticipation loan included in previous spending plans.

REVENUES

ALCOSAN sewer revenue is a major revenue item in the Borough budget. However the use of these funds is restricted based on an agreement between the Borough and ASCOSAN. The agreement requires the Borough collect ALCOSAN sewer user fees and transmit the fees to ALCOSAN based on quarterly billing. The ALCOSAN revenue cannot be used for other municipal activities. ALCOSAN sewer rates increase in 2020 as follows: customer service charges increase \$1.17 from \$16.69 to \$17.86 per bill and the 2019 ALCOSAN treatment charge increases 56 cents, from \$7.42 to \$7.94 for each 1,000 gallons of water used. The average customer, who uses 12,000 gallons of water per quarter will pay \$7.89 more per quarter, increasing the average sewer quarterly bill from \$111.97 to \$119.86. ALCOSAN revenues are budgeted at \$869,00 in 2020.

Borough sewer rates are unchanged. Borough sewer rates were decreased in 2013 and again in 2014. Borough sewer revenues fund general fund sewer related activities and sewer capital projects.

Real Estate taxes are a second major source of Borough general fund revenue. Current and delinquent real estate taxes are projected to generate \$685,000 in 2020. The 2020 real estate tax rate remains at 11 mills. Real estate taxes have not increased in twelve (12) years.

Borough residents will continue paying a \$120.00 per year service charge for trash removal service in 2020. Refuse fees were reduced to \$120.00 in 2015 when the current refuse contract was executed. However the current contract expires at the end of 2020 and it is anticipated refuse rates will increase when a new contract is awarded.

Other 2020 General Fund revenues essentially match those budgeted in 2019 with adjustments based on actual collections.

Liquid Fuels State funding is budgeted at \$175,700. These funds are restricted by statute for use on public works activities. Liquid fuel revenues are allocated for street light and salt supply expenditures.

Earned income collections and the County sales tax revenues (identified in the budget as RAD TAX) both increase \$10,000 based on 2019 collections. RAD TAX revenue is a product of the

additional 1% sales tax collected in Allegheny County and fluctuates based on economic conditions and consumer spending patterns.

The State grant received for pension plan funding increases to \$41,000 in 2020.

The \$200,000 tax anticipation loan (TAN) is deleted in 2020. Local banks have withdrawn from the municipal TAN market due to the current interest rate environment. Fortunately the Borough is capable financially to fund municipal operations prior to the receipt of 2020 real estate tax revenues.

EXPENDITURES

2020 expenditures mirror prior year budgets. The police department budget increases \$9,400. Adjustments are made in the wage line items to hire sufficient part time officers to fully staff the schedule, a chief and a sergeant. Police employees are projected to receive a 2% increase in wages based on current collective bargaining negotiations.

Street Department expenditures increase \$5,900 in part to fund a \$3.31 per ton road salt increase and the hiring of contractors to continue vacant lot clearing. A seasonal summer laborer is also budgeted.

Sewer department expenditures increase to reflect the 7% ALCOSAN sewer rate increase. ALCOSAN bills the Borough quarterly for residential sewer service. The Borough is contractually required to collect the sewer fees and transmits the quarterly payment to ALCOSAN.

All non-uniformed employees except the Manager receive a collectively bargained 2% wage increase. Employee benefit expenditures decrease in 2020 due to a reduction in the actuarially determined pension plan contribution and a decrease in hospitalization requirements.

\$100,00.00 is budgeted as a transfer to the capital fund for Borough expenditures related to ongoing sewer upgrades due the Sewer Consent Order including the rehabilitation of sewer trunk lines scheduled to be transferred to ALCOSAN.

RECAP OF 2019 CAPITAL AND O & M ACTIVITIES

Emergency sewer and storm water repairs were completed along the following residential roadways: Hope, Beech, Oak, Kirkpatrick, 14th, Verona, Lobinger, Bell and General Braddock. These repairs were completed by street department employees who are developing expanded capabilities. These types of repairs were previously performed by outside contractors. Utilizing Borough employees reduces the cost of repairs.

Additional portions of Ridge Avenue and Beech Street were paved in 2019 and Locust, Orchard and approximately half the length of Hope Street will be paved utilizing CITF grant funding.

CDBG grant funds were secured to construct a salt storage facility on property acquired on Bell Ave. The project will be completed in 2020.

The street department also replaced over 100 street and stop signs and replaced two (2) dump truck beds.

The Borough received notification of additional grant funding for the Hawkins avenue recreation site and the Verona and Brinton Avenue playgrounds in 2019. A \$25,000 CITF grant was received for improvements to the Verona and Brinton Avenue playgrounds. An additional \$90,000 CITF grant was secured for development of the Hawkins avenue recreation site as well as a \$168,000 State Multimodal Transportation grant for sidewalk and pedestrian safety improvements associated with the Hawkins Avenue recreation site. US Steel, located in North Braddock, generously donated \$70,000 for related improvements to the Hawkins avenue recreation project.

The office of code enforcement issued 255 code enforcement letters of violation, 407 occupancy/rental permits and 23 building permits through October of this year. Two deteriorated properties were demolished by private property owners in 2019 and a CDBG grant was obtained to demolish a five (5) unit deteriorated row house on Bell avenue. The code office generated in excess of \$23,000.00 in related fees through October of this year offsetting more than 50% of the cost of code enforcement department.

The Police department has responded to over 5000 service calls, towed close to 150 abandoned vehicles and tagged over 300 noncompliant vehicles through October of this year.

Doug Marguriet
Manager