

**Date: 11-16-21**

**To: Borough Council**

**RE: 2022 Budget Highlights**

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The 2022 spending plan for the North Braddock Borough totals \$3,444,600. The budget continues the current service level, provides additional funding to continue the upgrade of police department wages initiated last year by Borough Council, provides additional funding to upgrade code enforcement activities and includes the ALCOSAN mandated 7% increase in sewer fees. The added cost to upgrade police wages and increase code enforcement efforts is offset by projected revenue increases.

## **REVENUES**

Revenue collections in 2021 have recovered from the impact COVID had on collections in 2020. Real estate tax collections are exceeding last year's collections by approximately 8% due to increased payment of delinquent real estate taxes. Total real estate tax collections comprised of current, prior, and delinquent taxes is budgeted at \$710,000 in 2022.

The 2021 Real Estate Tax rate remains at 11 mills and has not increased for the past thirteen (14) years. The Borough has steadily improved the delivery of service at this tax rate and interestingly, a recent case study performed as part of the BEN Comprehensive Plan analysis indicated the Borough spends up to 49% less per resident to provide a higher level of core municipal services compared to neighboring municipalities.

Earned Income Tax (EIT) and Local Service Tax (LST), the major contributors to ACT 511 tax collections, are budgeted at \$387,000 in 2022. EIT and LST are employment related taxes and collection rates are slightly above the 2021 collection rate.

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 ALCOSAN. The agreement requires the Borough collect ALCOSAN sewer user fees and transmit the fees to ALCOSAN based on quarterly billing. ALCOSAN revenue cannot be used for other municipal activities. ALCOSAN sewer rates increase in 2022 as follows: customer service charges increase \$1.34 to \$20.45 per bill and the 2022 ALCOSAN treatment charge increases \$.63 cents to \$9.73 for each 1,000 gallons of water used. The average customer, who uses 12,000 gallons of water per quarter will pay \$8.90 more per quarter, increasing the average quarterly sewer bill from \$128.31 to \$137.21. ALCOSAN revenues are budgeted at \$946,000 in 2022.

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.

Residential refuse fees remain \$150.00 per year in 2022.

Other 2021 General Fund revenues are adjusted based on actual collections patterns in 2021.

Liquid Fuels State funding declines in 2022 to \$160,000 according to a Penn Dot notification. The decrease is due to the drop in State gas tax collections caused by COVID restrictions and to some extent the emergence of electric and hybrid vehicles. These funds are restricted by statute for use on public works activities. Liquid fuel revenues are allocated for streetlight and salt supply expenditures.

RAD tax revenue, which is a product of the additional 1% sales tax collected in Allegheny County, fluctuates based on economic conditions and consumer spending patterns. RAD tax collections in 2021 are exceeding last year's collections and are budgeted at \$260,000 in 2022.

The State grant received for pension plan funding is projected to be \$40,000 in 2022.

## EXPENDITURES

2022 expenditures maintain current service levels, continue police wage increases designed to enhance police officer recruitment, provide a \$20,000 local match for the TCVCOG code enforcement grant to increase code enforcement activities and includes the 7% ALCOSAN sewer rate increase.

The 2022 police budget includes a \$.50 per hour wage increase for police department personnel. The patrol officer hourly rate will be \$17.69 in 2022 and the sergeant hourly rate will be \$18.53. Council authorized the increases last year to make police wages competitive with surrounding municipalities.

Street department proposed expenditures are \$452,000 in 2022. The collective bargaining agreement expires this year, and a projected wage increase is included.

Sewer department expenditures in 2022 reflect the 7% ALCOSAN sewer rate increase. ALCOSAN bills the Borough quarterly for residential sewer service. The Borough is required by contract to collect the sewer fees and transmits the quarterly payment to ALCOSAN.

Employee benefit expenditures decrease in 2022 based on 2021 expenditure patterns.

\$51,500 is budgeted as a transfer to the capital fund for Borough expenditures related to ongoing sewer upgrades due the Sewer Consent Order and other capital expenditures.

## **RECAP OF 2021 Capital and O & M activities to date**

The street department though under staffed for the first half of the year due to two retirements was able to: clean 52 basins and 12 sewer lines, rebuild 7 catch basins, replaced sections of deteriorated sewer lines in General Braddock, provided site preparation work at the Hawkins Avenue recreation site, clear abandoned lots and cut downed trees, boarded 30 abandoned properties, collected and disposed over 400 tires dumped in the Borough, clean and removed debris on numerous illegal dump sites and lots, applied over 750 tons of salt during the winter season, completed preparations of the Bell Avenue salt site for construction next year, installed over 100 street and traffic signs, responded to over 250 one call dig requests, cleared and improved portions of Seneca and Railroad streets, and patch potholes throughout the Borough.

The office of code enforcement issued 200 property maintenance violation notices, issued 15 building permits, issued and inspected 374 rental licensed properties, issued and inspected 37 occupancy permitted properties, and issued 6 dumpster permits through October 2021. The code office is projected to generate more than \$24,000.00 in related fees by the end of 2021 offsetting approximately 50% of the cost of the code enforcement department.

The Police department report they have responded to approximately 6000 service calls through October of this year, towed over 120 abandoned vehicles, upgraded computers in vehicles, implemented advanced statistic tracking with Allegheny County, purchased additional body cameras, and emphasized efforts to improve community relations by participating in public functions and community events and sponsoring programs such as “Christmas with Santa” and “Coffee with Cops”.

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