

2023 BUDGET

Manager Narrative and Budget Overview



Presented to Borough Council on

TUESDAY, NOVEMBER 15, 2022

November 15, 2022

Municipal Council and Mayor Lang:

On behalf of the Borough staff, I am pleased to present the Draft 2023 Fiscal Budget. As in years past, this budget reflects our commitment to providing a broad range of services effectively and efficiently. Everything, from maintaining local roads, stormwater systems, and utilities to providing public safety, recreation, and other services, was evaluated during budget preparations.

The 2023 Budget prioritizes the maintenance of infrastructure and upgrades to Borough facilities. In determining which projects to undertake, Borough Council, the Mayor, and the staff had to balance several competing interests. I am pleased to report that the 2023 Budget incorporates no millage increase. For over fifteen years, the Borough has maintained a rate of 5.48 mills, which shall continue through 2023. However, with a review of the Borough's finances coupled with rising material, health insurance, and energy costs, all worsened by the COVID-19 pandemic, I am recommending an increase in Earned Income Tax from .5 to 1% to maintain fiscal stability and services.

Additionally, Tarentum Borough is one of thirty-five municipalities in the state that operates its own electrical distribution system. Tarentum continues to purchase electricity on the wholesale market and deliver it at a retail rate to 2,500 customers. In doing so, the Borough utilizes surpluses from its power fund to subsidize general fund operations. This reality has enabled the Borough to implement several infrastructures and economic development projects that would otherwise be difficult to accomplish.

Some notes and highlights of the 2023 Budget are as follows.

Fund 01 GENERAL FUND

The General Fund is associated with ongoing or daily operations of the Borough.

- A projected general fund deficit of approximately \$1,220,000.00 is overcome by an increase in the EIT rate and transferring of funds from the electric fund
- Real Estate Tax revenue is anticipated to remain steady based on property assessments by Allegheny County
- Expenses have increased due to ongoing contractual obligations, inflation, and personnel costs; this will be partially offset by an increase in EIT and a decrease in demolition spending.
- Interest and principal payment amounts have shifted in the General, Water, and Electric Funds due to the Borough paying off its meter loans and incurring a General Obligation Bond for \$7,505,000.00 in 2022

Fund 04 CAPITAL FUND

The Capital Fund is associated with infrastructure and major equipment purchases

- Water and sewer line replacements
- Paving of 1st Avenue
- Purchase of bucket truck which is necessary for continued electric distribution

Fund 06 WATER FUND

The Water Fund is a proprietary fund associated with the Boroughs collection, treatment, and maintenance of its water infrastructure

- Several upgrades are necessary, including replacing several machines/pumps that are over thirty years old
- Installation of a water tank to help with pressure problems for higher-elevation households

Fund 07 ELECTRIC FUND

The Electric Fund is a proprietary fund associated with the Borough's maintenance of the electric grid infrastructure.

- The 2023 budget, as presented, does not include any customer rate increases for 2022. Through strategic contract negotiations, we are able to avoid the price hikes that many other electric providers are enacting in response to the energy market fluctuations

Fund 08 SEWER FUND

The Sewer Fund is an independent fund associated with the Borough's maintenance of the combined sanitary sewer infrastructure.

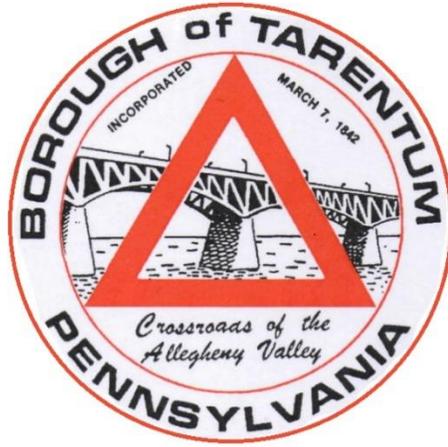
- Sewer line replacements

We believe that a budget represents one of the Borough's most fundamental policy documents and, as such, should be able to communicate a clear and transparent policy direction so that various constituents have the necessary information to engage themselves in their local government. As such, we commit to continuing to build the content and resource of this document in the future.

If you have any questions regarding the 2023 budget or have additional questions or concerns relative to any other matter, please do not hesitate to contact the office at (724) 224-1818. Thank you, and we look forward to another year of continuing progress and revitalization.

Sincerely,

Dwight Boddorf
Borough Manager



Budget Timeline

Budget Preparation and Adoption

The Borough of Tarentum establishes an Annual Budget following the process outlined below that integrates the requirements of Title 8 of the Pennsylvania Consolidated Statutes that govern Boroughs and Incorporated Towns, otherwise known as the Borough Code.

Budget Preparation

1. At regularly scheduled Council meetings and individual discussions, the Borough Manager and Finance Director gather data on goals and projects slated for the upcoming year that will impact the budget.
2. Previous budgets and departmental budget worksheets are distributed to the Chief of Police, Zoning and Code Enforcement, Public Works Director, and the Water Plant Director Officer to gather information on departmental needs and requests.
3. After the worksheets are collected, the Finance Director and Borough Manager compile both the requests of Staff and Council into an initial draft budget.
4. Borough Council reviews the initial draft budget and can request modifications until the Council Workshop meeting on November 15th.

Proposed Budget

1. The Borough Manager and Finance Director prepare the Proposed Budget document, integrating any modifications requested by Borough Council, for presentation at the Council Workshop Meeting that is held on November 15th.
2. After discussion and final review by Council, between the Workshop Meeting and Business Meeting, the Borough Council tentatively adopts the Proposed Budget and moves to advertise said budget in a locally circulated publication

Advertisement Period

1. Per Chapter 13 of the Pennsylvania Borough Code, the Proposed Budget document is advertised for 14 days and becomes available for review by the public. The document is made available for review both in person at the Borough Offices and online at the Borough's official website, <http://www.tarentumboro.com>

Budget Adoption

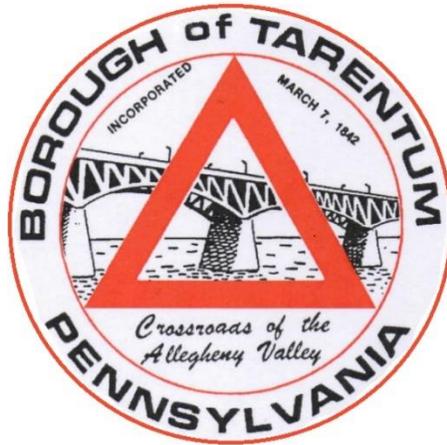
1. After public input and direction from Council, the Borough Manager and Finance Director prepare the Final Budget for adoption.
2. The Final Budget for adoption is presented to the Borough Council at the first regular meeting of December for review and then formally adopted by ordinance.
3. The Final Adopted Budget is made available to the public via the Borough's website and Borough Offices.

Budget Management

1. Throughout the budget year, the Finance Director produces monthly reports tracking spending year to date to identify actual spending to that which was budgeted. These reports are shared with both Staff and Borough Council and made public for review by taxpayers and residents.
2. As deviations or exceptions are made within spending and/or projects are planned for the upcoming budget year, the Finance Director and Borough Manager make notes of adjustments that need to occur within the following year's budget to ensure accurate and conservative estimates are moving ahead.

Budget Timeline

Date	Event
9/15/2022	Distribution of the Previous Year's Budget to Staff and Council
10/3/2022	Initial Drafting of Budget
10/4/22 - 10/31/22	Staff and Department Reviews of Budget
10/11/2022	Council Meeting – Review of budget requirements and overview
11/1/2022	Council Workshop - Review of the draft budget
11/15/2022	Council Meeting – Regular Business and review the revised draft budget
11/15/2022	Council Business Meeting - Tentatively Adopt Budget
11/16/2022	Submit advertisement to Triblive for 14 days
11/21/2022	Budget Advertisement available in Triblive and on Borough Website
11/28/2022	Budget Advertisement available in Triblive and on Borough Website
12/13/2022	Adopt Final Budget
12/14/2022	Publish Final Budget



Services, Programs, and Operations Overview:

Within any organization, several programs or operations are not well-known outside those departments. Municipal government is no different. While line items exist on the budget, they often are insufficient in explaining the major services, programs, and operations that exist within the Borough. The following information is being presented alongside the budget to help the public understand what those line items' budgets pay for.

Note: this document provides a general overview and does not include every service or program the Borough provides.

GENERAL FUND

Police Department

Police Patrol Services

Program Mission: *To provide public safety, emergency response, and crime deterrence.*

Program Description: This program directs, regulates, instructs, and supports the operations of the Police Department in meeting the operational and strategic goals of the Borough in the area of Patrol Services. The program provides management accountability over all Patrol Services functions, including Traffic and Foot Details, Enforcement, and Training.

Police Community Services

Program Mission: *To provide community education and coordination, crime prevention, and youth services.*

Program Description: This program directs, regulates, instructs, and supports the operations of the Police Department in meeting the goals of the Borough in the area of Community Services. The program provides management accountability over all Community Services functions, including programs and special events, school crossing guards, parking and code enforcement, and equipment & fleet coordination.

Police Support Services

Program Mission: *To provide public safety, emergency response, and crime deterrence by providing support services such as investigations, records, and administration.*

Program Description: This program directs, regulates, instructs, and supports the operations of the Police Department in meeting the operational and strategic goals of the Borough in the area of Support Services. The program provides management accountability over all Support Services functions, including the Investigations Section, Administrative Support, and Records Support. This includes liaison with local, state, and federal investigative agencies and the County Major Crime and Drug Task Forces.

2022 Program Accomplishments

- Continued the highly successful bike for the youth program
- Integrated body-worn cameras as a standard practice
- Provided over 200 instances of community services, such as changing tires, jumping batteries and assisting with medical emergencies
- Assisted with Night Markets

2023 Objectives

- Integrate non-lethal alternatives to the standard gear
- Add additional sections of the Borough to the current camera system
- Update web presence and forms for ease of use
- Continue and update the community service program (evolution of the bike program)

GENERAL FUND

Code Enforcement

Subdivision & Land Development

Program Mission: *To assure compliance with subdivision, land development, and stormwater management ordinances.*

Program Description: This program administers the Borough of Tarentum's Subdivision & Land Development Ordinance and Stormwater Management Ordinance by reviewing plans for development and redevelopment. Borough Planning Commission recommendations, Allegheny County Planning Commission recommendations, and staff recommendations are presented to Tarentum Borough Council for appropriate actions.

Code Enforcement, Public Safety, & Permits

Program Mission: *To assure compliance with building and property maintenance codes.*

Program Description: This program provides for public health, safety, and welfare by administering Borough and State codes. This includes many ordinances, including building and property maintenance codes, zoning, stormwater, and other local ordinances. These codes regulate the use and maintenance of public and private properties and any structures thereon. Administration includes response and investigation of complaints, plan review and issuance of permits, inspections of construction in progress, issuance of certificates of occupancy, issuance of violation notices, and citations and coordination of rental inspections.

2022 Program Accomplishments

- Continued with the Omnibus demolitions plan
- Continued with and promoted the Vacant Property Program
- Increased enforcement and prosecution
- Encouraged business development by building relationships with residents and business owners, encouraging them and informing them of programs to assist with business development

2023 Objectives:

- Review and update zoning ordinances
- Review and update the official Borough zoning map
- Update web presence and forms for ease of use

GENERAL FUND

Engineering and Public Works

MS4 Stormwater Maintenance

Program Mission: *To comply with the Department of Environmental Protection Agency's Municipal Separate Storm Sewer System (MS) Program requirements by ensuring the stormwater system functions properly.*

Program Description: This program provides drainage systems to convey stormwater runoff from the streets of the Borough. Work activities include the replacement of storm sewer pipes and inlets and cleaning grates, collection boxes, and storm sewer pipes to ensure the proper performance of all stormwater facilities.

Engineering Services

Program Mission: *Plan and implement all capital projects and develop strategies to improve operating efficiencies and infrastructure preservation.*

Program Description: This program provides capital improvement planning, engineering, surveying, project plan and bid document preparation, inspections, document management, and project management services to all areas of the Borough. This function is contracted out to Gibson-Thomas Engineering.

Property Maintenance

Program Mission: *To maintain Borough buildings in excellent condition.*

Program Description: This program provides maintenance, repair, and custodial services to Borough buildings. In addition, this program includes the surveillance and treatment of mosquito breeding areas in Borough parks and other properties.

Street Maintenance

Program Mission: *To improve the condition of Borough streets and alleys.*

Program Description: This program provides roadway maintenance for the streets and alleys in the Borough. Maintenance includes utility cut restorations, winter damage restorations, stabilization of sinkholes, crack sealing, and pothole repairs. All activities within the program support the Community Goals of improving the image of the Borough and providing a safe community environment.

Street Signs and Markings

Program Mission: *To provide clear and appealing road signage to assist traffic flow and safety.*

Program Description: This program involves the fabrication, installation, and maintenance of traffic signs, street name signs, pavement, and temporary signs and barricades for regulatory, warning, and traffic guide purposes. This program focuses on standardizing signs in type, size, and lettering to improve the aesthetics of the Borough while meeting the requirements of PennDOT.

GENERAL FUND

Engineering and Public Works

Street Cleaning

Program Mission: *To maintain streets free of debris and litter and provide a clean Central Business District area.*

Program Description:

This program focuses on community aesthetics and reducing debris load to creeks and streams by performing routine and preventative maintenance in the Central Business District and cleaning Borough streets and parking lots via a vacuum sweeper.

Snow and Ice Control

Program Mission: *To treat and plow streets and alleys and clear public sidewalks following winter precipitation events.*

Program Description: This program provides salting, plowing, and snow removal of streets and alleys as needed during the winter to provide for the safe and efficient traffic movement following winter precipitation. This program also includes the clearing and de-icing sidewalks, driveways, and parking lots on Borough-owned property and emergency services stations.

Fleet Maintenance

Program Mission: *To have Borough vehicles available and functional when needed by employees.*

Program Description: This program provides maintenance and repairs to Borough vehicles, including state inspections, preventative maintenance, and emergency repairs to the fleet. In addition, it also provides maintenance and repairs to all of the Borough's small equipment, such as pumps, saws, and mowers.

GENERAL FUND

Engineering and Public Works

2022 Program Accomplishments:

- Received the Build a Better Mouse Trap Award for innovative use of decorative street lighting
- Observed and inspected MS4 outfalls
- Trained and certified three staff members on water distribution
- Continued Borough-wide cleaning and maintenance activities
- Assisted with the setup of Night Markets
- Replaced a vehicle necessary for sustaining operations

2023 Program Objectives:

- Purchase a new vehicle for salting and plowing
- Seal and paint the Public Works garage
- Tree trimming for business districts
- Planning for pavement of 1st Avenue
- Creation of a road evaluation program to assess existing conditions of roads and assign priority maintenance and paving

GENERAL FUND

Parks and Recreation

Parks Operations & Maintenance

Program Mission: *To provide safe and enjoyable recreational facilities and programs.*

Program Description: This program provides parks, open spaces, and recreation opportunities to enhance residents' quality of life. Maintenance services include park facility and equipment maintenance, inspecting playgrounds for safety issues, athletic field maintenance, tree maintenance, and snow removal.

Spray Park

Program Mission: *To provide a safe, operation-efficient, and enjoyable outdoor spray park.*

Program Description: This program operates an outdoor spray park that provides opportunities for friends, neighbors, and families of the Tarentum Borough to interact with one another during an enjoyable aquatic experience.

2022 Program Accomplishments

- Continued Park cleaning and maintenance activities

2023 Program Objectives

- Repair spray park manifold
- Renovate fountain
- Repair brick walkway

GENERAL FUND

Administration Division

General Management

Program Mission: *To oversee all aspects of the Borough's operations and policies and develop strategies to assure the future success of the Borough's organization.*

Program Description: The Office of the Borough Manager is the chief executive officer for all non-police programs. The Manager is responsible for transforming the guidelines established by Borough Council into policies, procedures, and measurable action plans. The Borough Manager also serves as Secretary of the Borough. The Borough Manager communicates with the Borough Council and the citizens, other municipalities, customers, and employees.

Financial Management

Program Mission: *Assure fiscal accountability for Borough operations and meet all adopted fiscal management policies.*

Program Description: This program provides budgeting and fiscal management services to the Borough and the Tarentum Recreation Board. The activity is charged with maintaining an appropriate accounting system, monitoring the cash management functions, budget preparation, and monitoring and providing all treasury services. Financial reporting to management and external agencies is performed through this activity.

Customer Service

Program Mission: *To meet the needs of our customers by providing accurate information in a timely and courteous manner.*

Program Description: This program provides customer satisfaction through trained staff to offer knowledgeable, professional, and courteous service. Support is provided to Borough operating departments through clerical assistance, preparation of service requests, telephone inquiries, mail processing, accounts payable disbursements, central storage for office supplies, and office records retention and disposition. This program also provides online payment support for online users.

Collection Service

Program Mission: *Generate and collect utility bills.*

Program Description: This program is responsible for meter reading, generating customer utility bills, and ensuring accuracy in preparing those bills. Approximately 3,000 bills are printed and mailed each month. Services billed include electricity, water, and refuse. This program is also responsible for disconnection service notices and utilizing a collection agency when needed.

GENERAL FUND

Administration Division

Employee Relations

Program Mission: *Build and institute Human Resources policies, practices, and programs leading to the success of our co-workers, enabling the Borough to achieve its vision and mission.*

Program Description: This function aims to partner with uniformed and non-uniform employees and unions to deliver products and services, adding value to achieve the Borough's goals and objectives by maximizing its Human Resources. Human Resources is responsible for leading and managing recruitment/selection, organization development, benefits, safety, policy administration, and labor relations resulting in a high-performance work organization.

IT Technical Support

Program Mission: *To assure the reliability of computer hardware and software, providing users with the necessary information, as well as cybersecurity and safeguarding of data.*

Program Description: This program provides computer hardware, software, and support for all Borough employees. (Allegheny County provides support for software used by the Police Department.) Support includes installing and troubleshooting hardware and software, training, and ensuring high system performance and security levels. Up and Running Computer provides most of the IT Technical Support and is supplemented by Tarentum Borough administrative staff.

2022 Program Accomplishments

- Implementation on new Tyler software
- Paid off the bridge loan
- Refinanced Bonds
- Coordinated use of American Rescue Plan Funding.
- Paid off water and electric meter loans

2023 Program Objectives

- Develop and implement a program to establish stormwater fees for all property owners.
- Redesign Borough's website and enhance its online customer portal and social media presence.
- Create a shared administrative position between general administration and code enforcement to maximize specific functions within respective departments.
- Conduct a finance study to make objective recommendations for the long-term financial stability of the Borough

ELECTRIC FUND

Distribution System Operation & Maintenance

Program Mission: *To provide safe, reliable electric service to Borough customers.*

Program Description: This program operates and maintains the Electric Distribution System, serving over 2,500 residential, commercial, and industrial customers. The goal of this program is to proactively predict and prevent system failures while providing the delivery of safe, reliable electric energy to customers. This program also provides for traffic signal maintenance.

Management Support Services

Program Mission: *To provide management oversight and strategic planning services for electric operations to assure competitive rates.*

Program Description: Procurement of power and administration of power supply contracts is a primary concern of this program. In addition, this program reimburses the General Fund for the financial, accounting, billing, collections, and human resources support of the Administration. Interfund transfers and debt service area budgeted into this program.

2022 Program Accomplishments:

- Continued utilization of Sensus to monitor system and critical infrastructure
- Implemented more efficient and safe work practices
- Repaired several lines due to storm damage in a timely manner

2023 Program Objectives:

- Use Sensus system to predict localized outages by monitoring single and group meter outage alerts from Sensus for increased reliability
- Monitor contemporary trends in residential and commercial solar installations
- Purchase a new bucket truck to work on electric infrastructure reliably
- Conduct a reliability engineering study to guide the Electric Division forward consistently in a cost-effective manner
- Continue to seek innovative ways to improve reliability and customer satisfaction

WATER FUND

Treatment System Operation & Maintenance

Program Mission: *To provide safe, reliable water service to Borough customers.*

Program Description: This program operates and maintains the water treatment system, serving over 2,500 residential, commercial, and industrial customers. The goal of this program is to proactively predict and prevent system failures while providing the delivery of safe drinking water to customers.

Management Support Services

Program Mission: *To provide management oversight and strategic planning services for water treatment operations.*

Program Description: Procurement of chemicals and chemical testing is the primary concern of this program.

2022 Program Accomplishments:

- Conducted leak detection prevention
- Continued reduction in water usage per month
- Monitor contemporary trends in water distribution and treatment

2023 Program Objectives:

- Replacement of equipment and pumps to improve the reliability and safety of drinking water
- Continue to seek innovative ways to improve reliability and customer satisfaction
- Utilization of Sensus analytics to help detect leaks
- Installation of the water tank to help with pressure problems for higher-elevation households

List of Grants and Projects

Water Treatment Plant Project

Installation of a million-gallon tank at the Water Plant

Estimated cost: \$1,583,320.00

Borough Match: \$583,320.00

Funding Source: CFA and Capital Reserves

Water Treatment Equipment Replacement and Upgrade Project

Upgrade and replacement of multiple pieces of equipment necessary for water treatment

Estimated cost: \$500,000

Borough Match: \$75,000

Funding Source: H2O Grant, Small Water Grant, Water Fund, and Capital Reserves as needed

North Waterline Project

Estimated cost: \$910,605

Borough Match: N/A

Funding Source: CFA Grant

South Waterline Project

Estimated cost: \$642,735

Borough Match: N/A

Funding Source: CFA Grant

West 11th Avenue Waterline

Estimated cost: \$232,435

Borough Match: \$46,585

Funding Source: CDBG Year 49

Collins Way Storm Sewer

Estimated cost: \$93,700

Borough Match: \$26,700

Funding Source: CDBG Year 49

Davidson Street Sewer Lining

Sanitary Sewer system repairs on Davidson Street

Estimated cost: \$152,054

Borough Match: \$53,219

Funding Source: CDBG and Sewer Fund

Omnibus Demolition Project

Borough's multi-year demolition project that started in 2019

Borough Match: N/A

Funding Source: General Fund and Act 152

List of Grants and Projects-Continued

Corbet Street Renovation Project

Redevelopment of 215 Corbet after building demolition

Estimated cost: \$75,000

Borough Match: N/A

Funding Source: General Fund and Capital Reserves as needed

Business Façade Improvement

10 grants to businesses for façade improvement. 5 in West and 5 in East Tarentum at \$5,000 each

Estimated cost: \$50,000

Borough Match: None, but there is a \$500 match from recipients

Funding Source: Electric Fund

1st Avenue Paving Project

Milling and paving of 1st Avenue

Estimated cost: \$450,000

Borough Match: N/A

Funding Source: Capital Reserves and Liquid Fuels

Bull-Creek Bridge Repair

Estimated cost: \$50,000

Borough Match: N/A

Funding Source: Capital Reserves

Outlet Installation Project

Installing secured outlets along Corbet and 7th Avenues for special events

Estimated cost: \$2,500

Borough Match: N/A

Funding Source: Electric Fund

ARLE Red Light on 10th and Corbett

Automated Red-Light Enforcement

Estimated cost: \$220,000

Borough Match: N/A project fully grant funded

Funding Source: State Grant

Vehicle Replacement

Bucket Truck for electric work and a new truck for salting and plowing

Estimated cost: \$255,000

Borough Match:

Funding Source: ARPA Funds and Capital Reserve

List of Grants and Projects-Continued

Long-Term Financial Stability Consulting

The hiring of consultants to make objective recommendations for the long-term financial stability of the Borough

Estimated cost: \$15,000

Borough Match: N/A

Funding Source: General Fund

Park Fountain Repair

Estimated cost: \$5,000

Borough Match: N/A

Funding Source: Capital Reserves

Park Brick Walkway Repair

Estimated cost: \$5,000

Borough Match: N/A

Funding Source: Capital Reserves

Spray Park Manifold Repair

Estimated cost: \$10,000

Borough Match: N/A

Funding Source: Capital Reserves