



Budget in Brief 2013

How was the Budget Prepared?

Step 1 - Borough departments met with the Borough Manager and made their budget requests including additional personnel, equipment, and program improvement ideas.

Step 2 - Borough Council then held three Public Workshops to discuss the components that make up: expenditures; capital improvements; and revenues. Additionally, all information supplied to Council was available to the public on the Borough website a week or more before the workshop.

Step 3 - The Borough Manager then prepared this proposed final budget that will be reviewed and commented on by the public and, after consideration of public comments, adopted in its current or modified form by the Borough Council at its December meeting. All of the budget materials are posted online and hard copies are available for review at Borough Hall and the Library.

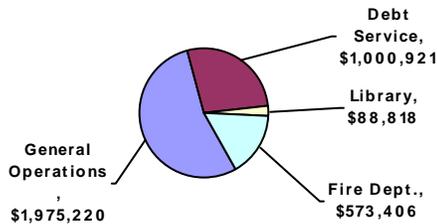
Assessed Valuation	Approximate 2013 Tax Bill Mill Rate= 8.97
\$75,000	\$ 672.75
\$100,000	\$ 897.00
\$125,000	\$1,121.25
\$150,000	\$1,345.50
\$175,000	\$1,569.75
\$200,000	\$1,794.00

2013 Property Tax Rate and the New Budget

The Borough millage rate was decreased to 8.97 mills from 14 mills and is based on an assessed valuation of all real property in the Borough of \$405,534,400. This translates to a property tax rate of \$8.97 per \$1,000 of assessed valuation. The table above shows only the amount of property tax a property owner can expect to pay to the Borough in 2013. Other taxes for the County or other agencies are not included.

This was done to reflect the reassessment of all property in Allegheny County. Under State law communities and school districts in Allegheny County were only allowed to have a millage rate that brought in the same revenue as in 2012 plus 5% upon approval of the Borough Council. In developing its proposed budget for 2013, Council chose to approve no increase but we are still able to play a little “catch-up” to totally rebuild one Borough road, repave nine other Borough roads, purchase some much needed equipment and make some priority repairs to the gym. A complete list of the proposed and approved capital improvements is available as part of the budget materials noted above.

Where Does Your Property Tax Go?



The chart above shows the various uses for your property tax including the Library and Fire Department.

2013 Budget Overview

Revenues in the 2013 General Fund Budget total \$7,471,681.

Property taxes generate 48.70% of that total while Act 511 taxes (Local Services Tax, Earned Income Tax) generate 13.01% of the total. The remaining 38.29% of resources come from other taxes, licenses, permits, fines, transfers and other miscellaneous revenues.

2013 Borough Budget (all funds)

Revenues: \$9,923,252
Expenditures: \$9,783,336

Authorized expenditures increased just \$270,895 over the 2012 budget, despite the addition of one new Police Officer position, one position in Public Works, one in Parks, and other increased personnel costs from the renewal of 4 union contracts.



Is there more than one budget?

The Borough’s budget is made up of four separate fund accounts, some of which can only be used for specific purposes. The **General Fund** is the fund that accounts for most of the Borough’s service functions including police, fire, maintenance of parks and recreation facilities, building inspection, and code enforcement services. The General Fund expenditures account for 75.89% of the total authorized budget expenditures for 2013.

The Highway Aid Fund is used to account for the Borough’s share of the State motor fuels tax (20% of 5.5 cents/gallon of fuel). These funds can only to be used for road maintenance, traffic signalization, and traffic calming. This fund represents 2.89% of the total Borough budget.

The Sewer Fund accounts for the delivery of wastewater services. Revenues from sewer charges, system development charges and other fees support this fund. The Sewer Fund makes up 15.66% of the total Borough budget in 2012.

The Capital Reserve Fund accounts for revenues and expenditures associated with all of the capital improvements for the Borough. Capital Improvements are those projects or equipment with a multi-year life cycle and includes the Borough’s Road Construction projects as well as major equipment purchases. The Capital Reserve Fund represents 5.56% of the total Borough budget.

2013 Budget - Expenditures (all funds – excluding surpluses)	
General Fund	\$7,424,556
Sewer Fund	\$1,532,000
Capital Reserve Fund	\$544,150
Highway Aid Fund	\$282,630
TOTAL	\$9,783,336

Department Budgets

The Borough is organized into a number of departments to provide Borough services and carry out Borough policies. Some of the major departments are noted below. Only the General Fund revenues are noted here.

Borough Council - The 2013 budget is \$25,800, 0.35% of the General Fund, to support the activities of the Borough Council.

Administration Department directs and coordinates the operations of all other Borough departments and advises the Borough Council on Borough service operations and issues. The 2013 budget is \$213,859, 2.88% of the General Fund.

Police Department provides all public safety services for the Borough. The 2013 budget is \$1,518,989, 20.46% of the General Fund.

Fire Department is the Dormont Volunteer Fire Department and they provide all fire rescue services for the Borough. The 2013 budget is \$446,581, 6.01% of the General Fund.

Public Works Department provides all street maintenance, much of the vehicle maintenance, street sweeping and other public services. The 2013 budget is \$541,137, 7.29% of the General Fund.

Pool Department provides for the operation and maintenance of the Dormont Swimming Pool. The 2013 budget is \$217,950, 2.94% of the General Fund.

Parks and Playgrounds Department provides for the operation and maintenance of the various parks and playgrounds throughout the Borough. The 2013 budget is \$184,380, 2.48% of the General Fund.

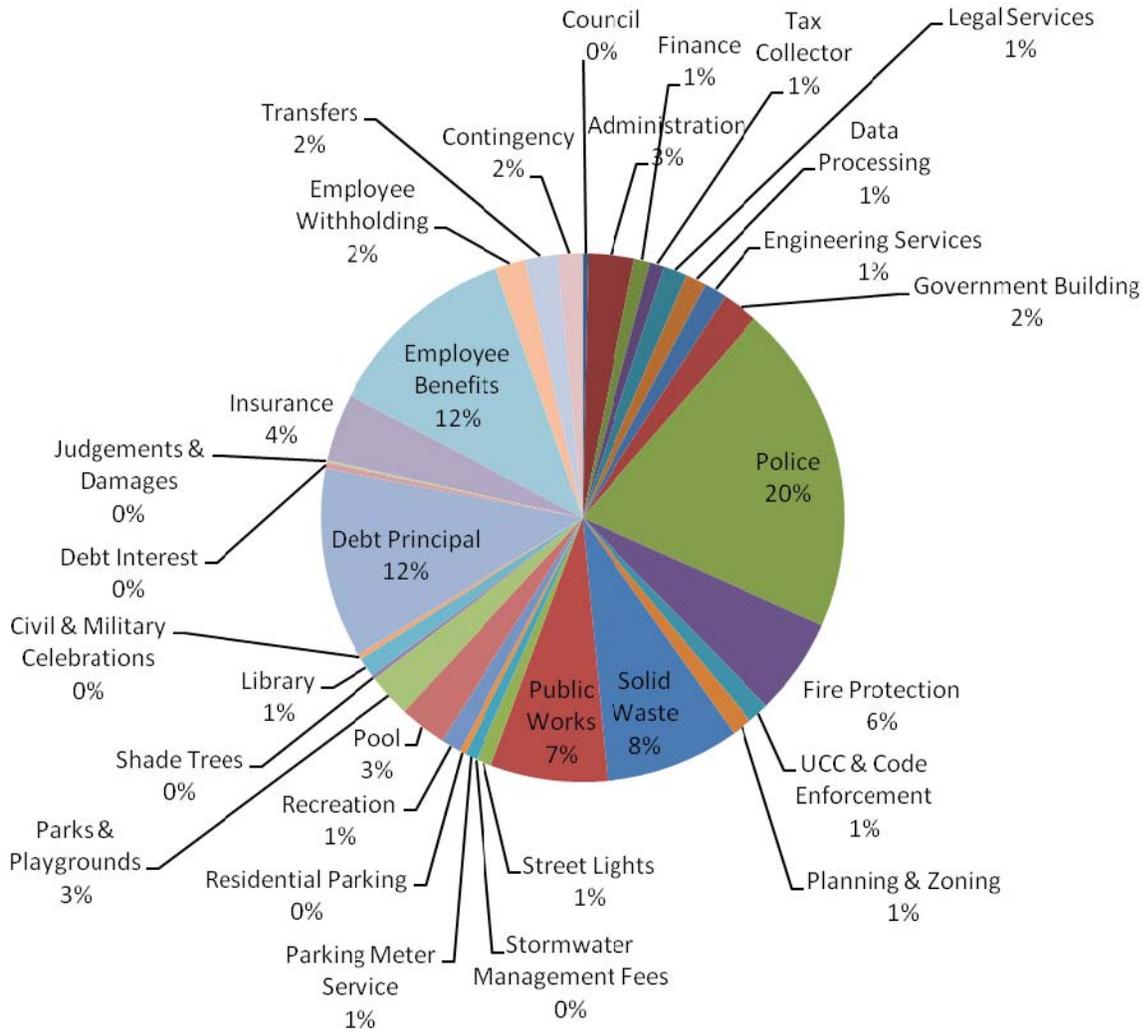
Debt Principal and Debt Interest is where the monies owed by the Borough for its outstanding indebtedness is reflected. One example of outstanding debt is the bond that paid for the current Borough Hall. The 2013 budget is \$904,895, 12.19% of the General Fund.

Employee Benefits is where the expenses for the various employee benefits provided by the Borough are shown. The 2013 budget is \$898,282, 12.10% of the General Fund.





GENERAL FUND EXPENDITURES



What is the Reserve Fund? Why is it not in the Budget?

Reserve Fund – this is an amount of money that is secure in the Borough’s bank accounts. It is money that was saved over the year(s) and is only used in a real emergency. Based on the recommendations of the Government Finance Officers Association (GFOA), the reserve fund should equal approximately 3 months of Borough expenditures. Our reserve fund at the end of 2012 will be approximately \$500,000 and is less than 1 month of Borough expenditures. By the end of 2013, we expect to have the reserve fund to approximately \$1,000,000 which would be slightly less than 2 months of Borough expenditures.

Would You Like More Information?

To see the complete 2013 budget and supporting documents visit www.boro.dormont.pa.us or contact the Borough’s offices by calling (412) 561-8900 or you can review a hard copy in the Borough offices or at the Dormont Library.