

## 2017 Departmental Expenditure Memo

October 21, 2016

Members of Council,

As previously mentioned, our next budget session will cover normal departmental expenditures for 2017. I have met with each department head to discuss their budget requests, along with their capital needs for 2017 and beyond. Additionally, I have been working on adjusting the budget spreadsheet for expected retirements. I have finished adding the expected personnel changes to the Police Department in the spreadsheet, which will allow us to better grasp the Borough's financial and operational future.

I will quickly address the main points of each department, in budgetary order:

**Council** – There are no expected changes to the Council budget.

**Administration** – The biggest change in the Administration budget is an adjustment to Hospitalization Insurance. Last year's spreadsheet had an error that did not account for an employee's family plan. That error has been corrected. As with any other non-union employees, the Administration budget accounts for a 3% pay increase.

**Finance** – Contractual wage increase.

**Tax Collector** – I increased the TAX REFUNDS line from the budgeted amount to account for any possible remaining issues from 2012. To my knowledge, all major disputes have been settled, but with the potential for increased commercial challenges, it is prudent to increase the line.

**Legal Services** – The hourly fees have been increased in anticipation of contractual negotiations with the Dormont Police Association.

**Data Processing** – Although our IT consultant has not yet submitted a rate for next year, I anticipate a small increase, as we have not had one for several years. The biggest increase comes from the need to maintain a server for the dashboard cameras in use. We are required to store the videos and the videos take up significant space. Further, we are attempting to get the Borough back on track with computer upgrades. They should be maintained on a three-year cycle to keep all parts within warranty. I have also been transitioning new systems to Office 365, a subscription service, rather than outright purchasing the software. This allows us to maintain current editions of Microsoft Office products without paying for every upgrade individually.

**Engineering Services** – With the expectation of finishing the Potomac Ave. business district, there will be additional draft work needed to complement the in-house engineering. For comparison, a private engineering firm typically charges 10% of the construction cost for design and drafting a project. Between Potomac Avenue and the neighborhood paving project, those costs would have been approximately \$128,000. Daily project inspection costs would have been additional.

**Government Building** – Utilities have been increased slightly to account for the use of the former Lifespan space. Two heating/cooling units will need to be replaced, according to Public Works. The MAJOR PURCHASES line includes the estimated cost for replacing the desk chairs, conference room chairs, and Council dais chairs with equipment of corresponding quality (i.e. 40 hour per week chairs for desk chairs).

**Police** – The Police budget reflects that one officer will still be serving with the military throughout 2017, but adds a new officer. In the spreadsheet, under the Police tab, you will find individual payroll years broken down with the option to add new employees in certain years. These are times to plan for expected retirements. In police operations, an officer should be hired to replace an anticipated retiree two years prior to the actual retirement. As officers require two years of experience before operating on their own, this method allows for the proper training of an officer without jeopardizing police response. Other major items include the municipal lease of a new cruiser (these should be on a five-year cycle to minimize repairs and downtime) and the purchase of new ballistic vests (ours are expiring) and a dashboard camera to replace the last outdated model. The new camera, coupled with the server, will allow for the wireless transfer of all dashcam videos.

**Fire Protection** – The newly selected chief has been added to the budget, as well as a new firefighter to replace him on the career staff. The WORKERS COMPENSATION line has been increased to account for the Borough's payment to cover the volunteers. This was an unknown during last year's budget process and was therefore not accounted for. The final change is the addition of a chief's vehicle. You can adjust this item in the CAPITAL IMPROVEMENTS tab.

**UCC & Code Enforcement** – Monica Dahlkemper has taken over as Building Code Official. The salary line reflects that change in duties. We should discuss the future of Code Enforcement with the new supervisor during the meeting. The current situation presents us with an opportunity to address more than just CE. Currently, our desk officers respond on their own to most daytime calls, due to the volunteer staff working. We could consider adding a trained firefighter as a CE officer to allow for additional coverage. This would require addressing potential bargaining unit issues with the Desk Officers.

**Planning and Zoning** – No changes.

**Solid Waste** – This reflects the changes in the Borough's contract with Waste Management.

**Public Works** – Public works has submitted several capital requests, including a new large plow truck, a F250 plow truck, an asphalt roller, a street sweeper, and a Thermo Laser Striper. These items have all been built under the CAPITAL IMPROVEMENTS tab. The large truck has been pushed back year after year, but I believe we should look to purchase that truck with payments coming from the Highway Aid Fund. This is an allowable expense, and the mild winters have allowed us enough cushion in that budget to make the necessary payments. The F250 and roller are the primary requests to replace aging equipment that requires substantial annual maintenance. The Street Sweeper is an item that could be shared with the Stormwater Authority as has been previously discussed. The Thermo Laser would allow us to move away from the current annual painting requirements caused by the EPA-mandated changes to road paint formulas. Road paint now only lasts a single season, requiring crews to repaint all crosswalks, stop bars, and curbs on an annual basis. The Thermo Laser melts plastic beads to lay down "thermoplast" stripes, which last for around five years.

**Street Lights** – No change

**Stormwater Management Fees** - No change

**Parking Meter Service** – No change

**Residential Parking** – No change

**Recreation** – Daycamp salaries have been adjusted to account for Minimum Wage resolution passed by Council.

**Pool** – Pool salaries have been adjusted to account for Minimum Wage resolution passed by Council. There will be additional capital improvement items to be built in, including the painting of the pool and resurfacing of the large slide.

**Dept 453** – No change

**Parks & Playgrounds** – Please refer to the excellent packet of information provided by Parks Superintendent TJ Conroy for his requests, along with his memo of justifications. There are two versions for each John Deere item, reflecting a purchase option and a lease option. I asked Mr. Conroy to explore the lease option as John Deere has always run a great program for government entities.

**Shade Trees** – Again, see TJ's information packet for the tree trimming list.

**Library** – No change

**Civil & Military Celebrations** – Small increase to Dormont Day expenses.

**Social Svcs Contribution** – No change

**Debt Principal and Debt Interest** – This reflects the addition of the loan for Potomac Avenue and the neighborhood paving project for 2016. I will tie additional loan options for 2017 from the CAPITAL IMPROVEMENTS tab over the weekend.

**Judgements and Damages** – Reduction to Fire Escrow. This is a Money In/Money Out item tied directly to the revenue side. We simply hold the escrow funds until properties are dealt with according to Fire and Building regulations.

**Insurance** – No change

**Employee Benefits** – Decrease based on MMO's for pension funds.

**Employee Withholding** – Should be more accurate now that formulas are built into spreadsheet, rather than based on prior years.

**Transfer** – Will adjust based on Capital Improvements chosen. This item is Money In/Money Out, corresponding to any loan revenue.

**Contingency** – No change

**Dept 499** – No change, unless Borough decides to proceed with another Conservatorship project. That project would have a corresponding revenue.

Best regards,

Ben Estell