

# **Borough of Dormont**

## **ANALYSIS OF BOROUGH FINANCES**

### **Trends, Projections, and Short-Term Recommendations**

Five – Year Plan and  
Financial Management Study  
Steps 1, 2, and 3

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# EARLY INTERVENTION PLAN – STEPS 1, 2 & 3

## ANALYSIS OF BOROUGH FINANCES

### Borough of Dormont

### Trends, Projections, and

### Short-Term Recommendations

## EXECUTIVE SUMMARY

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Dormont Borough expects to meet its current financial obligations from available realized revenues. Debt service is a problem because it exceeds the generally recommended maximum of 10 percent of expenditures. But, If all current services and staffing stay as they are in the future, the Borough will not be able to provide services from current levels of revenue. Assuming that taxes will not be increased, revenue from taxes and fees will remain relatively flat, and no new sources of revenue will be identified, the Borough must start to plan for annual reductions in expenditures to ensure that current revenues are sufficient to provide what Council and the residents expect of the government.

### Overall Financial Findings

These principal findings emerge from the analysis of revenues and expenditures for the years 2002 through 2006:

**Finding 1:** Core revenue from all sources has been increasing at about 3.3 percent per year. It will be difficult to sustain this rate of increase because it is driven by a property tax rate increase in 2006 (which is not likely to occur annually), the new emergency and municipal services tax, and greater dependence on intergovernmental revenues and departmental earnings (all of which are likely to be relatively flat).

**Finding 2:** There is little growth in the property tax base in the Borough. Assessment levels for unimproved existing properties are remaining at their 2002 amounts. Property tax revenue increases have been primarily due to increases in the millage rates, not increased assessments.

**Finding 3:** Other tax revenues have increased only with the introduction of the new emergency and municipal services and amusement taxes. These will remain relatively the same unless there is an increase in the number of people living in the borough.

**Finding 4:** Fortunately, the Borough has not used one-time revenues to meet on-going expenditures. This means that revenues, although relatively flat, are reliable and stable.

**Finding 5:** Core expenditures have been increasing at a rate of about 2.9 percent per year. This is lower than the current increases in revenue; however the 3.3 percent revenue increase is not likely to continue, while the expenditure rates *are* likely to continue.

**Finding 6:** Major increases in expenditures have come in wages and salaries and in benefit costs. Wages and salaries increased by an average of 4 percent per year and benefits increased by an average of 18 percent per year. Part of the benefit increase, however, is due to an increase in pension payments. Wage increases in public safety may not be easily controlled due to Act 111 arbitration procedures, which the borough is legally bound to follow.

**Finding 7:** The Borough's debt and debt service are high. In 2006, debt service payments from the general fund were 16 percent of general fund revenues. In 2004, the per capita debt was \$855. The median for all Pennsylvania boroughs was \$230. Ironically, reductions in costs in future budgets will actually make the budget percentage of debt service increase because it is a long-term fixed cost.

**Finding 8:** The Borough's costs are high compared to other Pennsylvania municipalities. In 2004, the per capita costs were \$986 while the median for all boroughs was \$437.

**Finding 9:** These high costs, coupled with a limited tax base, have resulted in taxpayers paying for services through relatively higher tax rates than many other boroughs. The Borough has one of the highest property tax millages in Allegheny County. In 2004, the per capita tax burden was \$428. The median per capita burden for all boroughs was \$169.

A number of important findings emerge from the analysis of the 2007 through 2012 revenue and expenditure forecast.

**Finding 1** Tax revenues are unlikely to increase without rate increases.

**Finding 2** Ongoing revenues are unlikely to increase during the forecast period.

**Finding 3** Expenses are likely to increase at a rate of 2 percent per year.

**Finding 4** The greatest cost increases are likely to be in health care insurance, and wage and salary increases.

**Finding 5** The Borough faces substantial deficits that can only be resolved with a combination of rate increases, new revenues and cost controls. The structural deficit could exceed \$600,000 by 2012.

The Borough's revenues for the years 2002 to 2007 are presented in Appendix A. The expenditures for the same period are presented in Appendix B. Expenditures by department are presented in Appendix C.

### **Short Term Recommendations 2007 - 2008**

The Borough should consider and implement the following recommendations in 2007 and 2008. They are all related to finances in the Borough and Council and Borough management have already considered some of them.

**Recommendation 1:** Reduce budgeted expenditures annually to keep the total expense below the realistically expected revenue. Since costs are rising annually and revenues are flat, this will be an annual exercise for the foreseeable future. Wherever possible, reductions in planned expenditures should begin immediately.

**Recommendation 2:** Control and maximize the effectiveness and efficiency of staff positions. Do not fill any vacant position only because it is budgeted. A process for position evaluation should be developed and each vacancy needs to be reviewed for 1) possible elimination, 2) combination with another job, 3) providing services jointly with another government unit, 4) contracting out, 5) reduction to part-time or shared duties among more than one person.

**Recommendation 3:** Monitor use of overtime and improve scheduling to eliminate it; monitor sick time, requested vacation and time off to reduce the need to pay others for overtime.

**Recommendation 4:** Analyze the use of energy and investigate ways to reduce energy consumption. This covers energy for such things as heat and air conditioning, lighting, gasoline and automobile usage and other machinery.

**Recommendation 5:** Limit discretionary spending wherever possible. Remember that budgeting expenditure does not require that the expenditure be made.

**Recommendation 6:** Guard and enhance the tax base by ensuring that all taxable entities and individuals are identified and billed, and that property assessments are monitored and appealed when appropriate.

**Recommendation 7:** Be aggressive with current delinquent tax and fee collections. (This may have short term financial gains, but will not be an effective long-term strategy if implemented successfully because delinquent amounts to be collected will decline significantly.)

**Recommendation 8:** Practice effective risk management to reduce the cost of insurance (including property, liability, workers compensation and unemployment insurance payments). Use outside assistance (including the Department of Community and Economic Development) to do this. Re-bid insurance related expenses annually or as appropriate.

**Recommendation 9:** Control health insurance costs by bidding them at the end of contract periods and considering changing health insurance carriers.

**Recommendation 10:** Review and revise fee schedules annually to ensure that the fees are matching the expenditures for which they are designed to pay.

**Recommendation 11:** Control debt service payments. Debt service should be no more than 10 percent of expenditures.

# Borough of Dormont

## Trends, Projections, and Short-Term Recommendations

### Introduction

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The analysis of the Borough's finances focuses on the Borough's core revenues and expenditures. These are the on-going revenues and expenditures. They exclude one-time revenues, such as borrowing for the sewer project and one-time state grants, and one time expenditures, such as expenditures on the sewer project.

If core expenditures exceed core revenues, it is an indication that the Borough has a structural deficit. This means that the underlying tax and revenue base does not generate enough revenues to sustain the current level of services being provided by the Borough.

By focusing on the core revenues and expenditures, it is possible to get an accurate picture of the structure of the Borough's finances. The analysis should provide answers to a few key questions:

- Have past revenues been enough to sustain the level of services, or did the Borough have to resort to one-time fixes to balance budgets?
- Are there adequate resources to sustain the current level of operations into the future, or will a combination of rate increases, new revenues, and spending cuts be needed?

The analysis is based on Borough records, as well as readily available information from the Census Bureau, the Bureau of Labor Statistics, the Pennsylvania Department of Community and Economic Development, the State Tax Equalization Board and other sources. As a guide, the engagement team has used the Center for Local Government Services' *Fiscal Monitoring Workbook*, the Southwestern Pennsylvania Commission's *Standards for Effective Local Government*, and the Government Finance Officers Association *Recommended Practices*.

## **Past Revenues and Expenditures 2002-2006**

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### **Findings**

A number of important findings emerge from the analysis of the years 2002 through 2006 revenues and expenditures.

**Finding 1** Core revenue from all sources has been increasing at a rate of about 3.3 percent per year. It will be difficult to sustain this rate of increase as the increases have come from a property tax rate increase in 2006, the new emergency and municipal services tax, and greater dependence on intergovernmental revenues and departmental earnings.

**Finding 2** There is little growth in the property tax base in the Borough. Property tax revenue increases have been primarily due to increases in the millage rates.

**Finding 3** Other tax revenues have increased only with the introduction of the new emergency and municipal services and amusement taxes.

**Finding 4** The Borough has not used one-time revenues to meet on-going expenditures.

**Finding 5** Core expenditures have been increasing at a rate of about 2.9 percent per year.

**Finding 6** Major increases in expenditures have come in wages and salaries and in benefit costs. Wages and salaries increased by an average of 4 percent per year and benefits increased by an average of 18 percent per year. Part of the benefit increase, however, is due to an increase in pension payments.

**Finding 7** The Borough's debt and debt service are high. In 2006, debt service payments from the general fund were 16 percent of general fund revenues. In 2004, the per capita debt was \$855. The median for all Pennsylvania boroughs was \$230.

**Finding 8** The Borough's costs are high compared to other Pennsylvania municipalities. In 2004, the per capita costs were \$986 while the median for all boroughs was \$437.

**Finding 9** These high costs, coupled with a limited tax base, have placed a strain on taxpayers. The Borough has one of the highest property tax millages in Allegheny County. In 2004, the per capita tax burden was \$428. The median per capita burden for all boroughs was \$169.

The Borough's revenues for the years 2002 to 2007 are presented in Appendix A. The expenditures for the same period are presented in Appendix B. Expenditures by department are presented in Appendix C.

**Note:** The primary sources for the past revenues and expenditures are the Borough's year-end, year-to-date budget reports and the independent auditor's reports. Some adjustments have been made to object codes to provide year-to-

year consistency in the presentation of the material. Material from the independent auditor's reports has been substituted for the material in the year-to-date budget reports where appropriate. For these reasons, the financial history presented here differs in some instances from the financial history presented in the 2007 budget.

## **Tax Revenues**

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### **Real Estate**

The Borough of Dormont levies a real estate tax on taxable property within the Borough using taxable values established by Allegheny County. The County has established a predetermined ratio between market value and taxable value of 100 percent. That is, the property is assessed at 100 percent of market value for tax purposes. Because the county is using 2002 as a base year, the actual ratio between market value and assessed value, the common level ration, as calculated by the State Tax Equalization Board for 2005, is now slightly over 91 percent.

Over the ten-year period, 1996 through 2005, real estate market values in Dormont increased at an average rate of 2.8 percent per year according to the State Tax Equalization Board. Unfortunately, market values have fallen at an average rate of almost 1 percent per year since 2002.

Assessed values have increased slightly since 2003 from \$265 million in 2003 to \$267 million in 2007. On a per capita basis, the assessed values have increased from \$29,682 per resident in 2003 to \$31,636 per resident in 2007. Part of the increase is due to a decline in the population. See Exhibits 1 and 2.

The Borough raised the millage once since 2002, from 11.6 mills to 14.0 mills in 2006. The Borough, by law, is limited to 30 mills for general purposes. In 2007, the Borough has set the general purpose millage at 8.72. In addition to this it has a debt service millage of 3.34, a library millage of 0.3 and a fire millage of 1.64. The school districts 2006 to 2007 property tax millage is 21.31.

Because the Borough has levied part of the property tax as a special purpose levy, the Borough still has the ability to raise substantial general purpose revenues. If it were to raise the millage to the 30 mill limit, the Borough could get over \$5 million in additional revenues. See Exhibit 3.

Further increases in the property tax rates may not be in the Borough's best interest. The Borough's property tax millage is high compared to other Allegheny County municipalities. In 2007, Dormont shares the distinction of having the highest millage in Allegheny County with Wilkesburg Borough. Raising the millage could place the Borough at greater competitive disadvantage among Allegheny County municipalities.

The millage increases have made it possible for the Borough to increase its current and delinquent real estate revenues from \$3,089,741 in 2002 to a budgeted \$3,687,450 in 2007.

**TAXABLE PROPERTY VALUES**

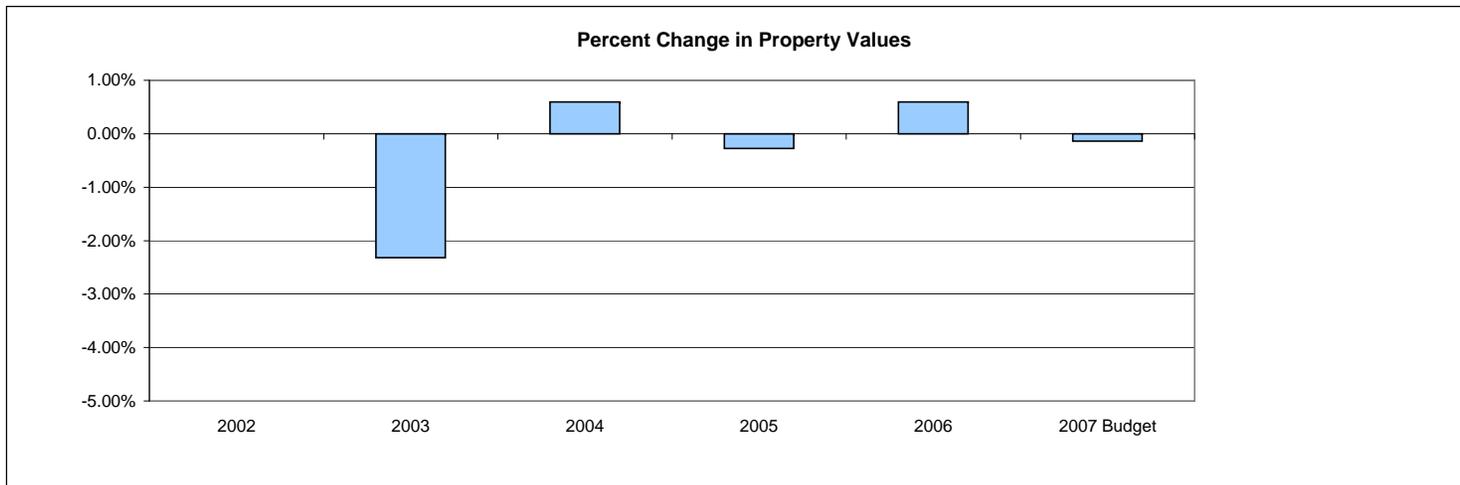
**Exhibit 1**

**Formula:**  

$$\frac{\text{Change in Value from Prior Year}}{\text{Prior Year Value}}$$

**Trend:**  
 Property Values have decreased

|                         | <u>2002</u>    | <u>2003</u>    | <u>2004</u>    | <u>2005</u>    | <u>2006</u>    | <u>2007 Budget</u> |
|-------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Current Year Value      | \$ 271,652,909 | \$ 265,349,480 | \$ 266,927,050 | \$ 266,193,850 | \$ 267,771,650 | \$ 267,398,850     |
| Prior Year Value        | \$ -           | \$ 271,652,909 | \$ 265,349,480 | \$ 266,927,050 | \$ 266,193,850 | \$ 267,771,650     |
| Change in Value         | \$ -           | \$ (6,303,429) | \$ 1,577,570   | \$ (733,200)   | \$ 1,577,800   | \$ (372,800)       |
| Percent Change in Value |                | -2.32%         | 0.59%          | -0.27%         | 0.59%          | -0.14%             |



**FISCAL CAPACITY**

**Exhibit 2**

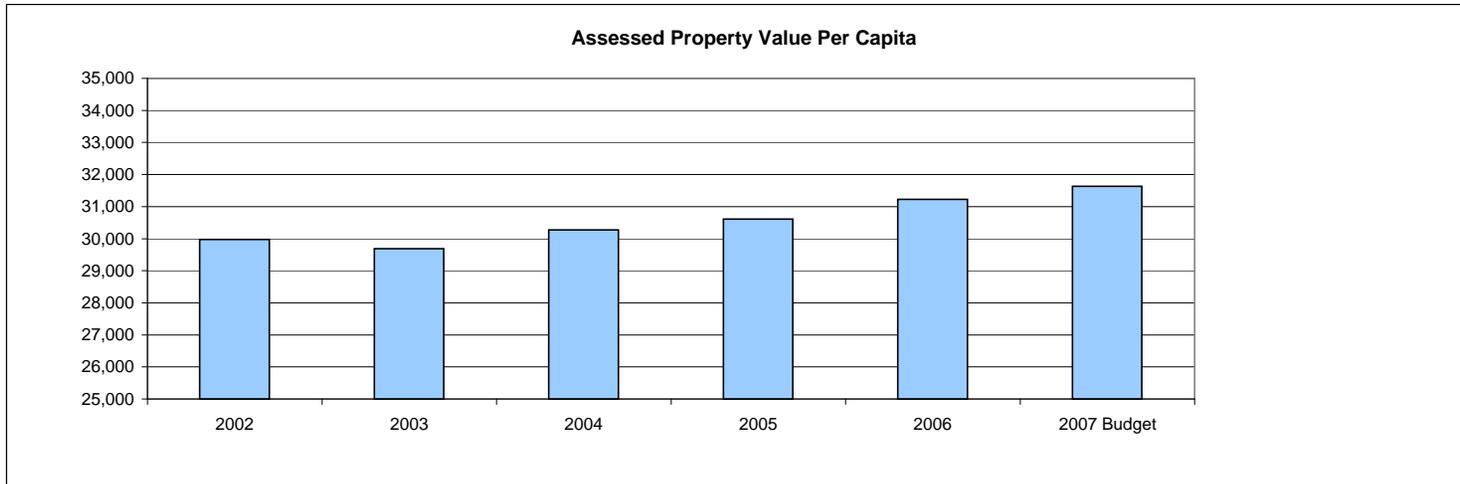
**Formula:**

$$\frac{\text{Assessed Property Value}}{\text{Population}}$$

**Trend:**

Property Value per capita is increasing  
Due to decrease in population

|                           | <u>2002</u>    | <u>2003</u>    | <u>2004</u>    | <u>2005</u>    | <u>2006</u>    | <u>2007 Budget</u> |
|---------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Assessed Property Value   | \$ 271,652,909 | \$ 265,349,480 | \$ 266,927,050 | \$ 266,193,850 | \$ 267,771,650 | \$ 267,398,850     |
| Population                | 9,061          | 8,940          | 8,818          | 8,696          | 8,574          | 8,452              |
| Assessed Value Per Capita | \$ 29,979      | \$ 29,682      | \$ 30,271      | \$ 30,611      | \$ 31,230      | \$ 31,636          |



**PROPERTY TAX RESOURCES**

**Exhibit 3**

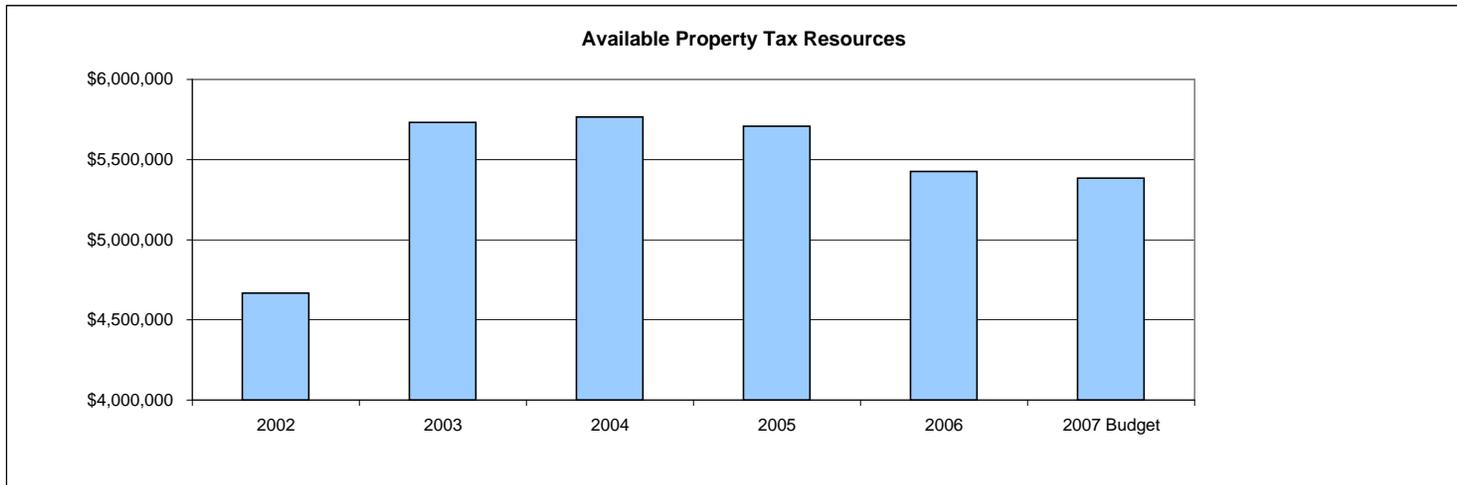
**Formula:**

Remaining Millage Times Revenues per Mill

**Trend:**

Property Tax Resources decreasing  
Due to millage increases

|                                      | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Maximum Tax Limit                    | 30           | 30           | 30           | 30           | 30           | 30                 |
| Current General Purpose Millage Rate | 11.6         | 6.9          | 6.9          | 6.9          | 7.96         | 8.72               |
| Mills Available                      | 18.4         | 23.1         | 23.1         | 23.1         | 22.04        | 21.28              |
| Value of One Mill                    | \$ 253,634   | \$ 248,161   | \$ 249,594   | \$ 247,075   | \$ 246,200   | \$ 253,032         |
| Property Tax Resources Available     | \$ 4,666,872 | \$ 5,732,520 | \$ 5,765,623 | \$ 5,707,437 | \$ 5,426,242 | \$ 5,384,524       |



An important component in the tax revenue equation is the collection rate. The collection rate is calculated by dividing the current collections by the property tax levy. The overall collection rate has been about 93 to 94 percent per year. It dropped in 2006 to 92 percent. This type of drop after a tax increase is not unusual. The Borough has budgeted for a 95 percent collection rate in 2007. The difference between the levy and the actual revenue is made up of a combination of discounts for early payment, exonerations, appeals and delinquencies. The Borough does not offer a homestead exemption. See Exhibit 4.

When prior year and delinquent collections are added to the equation, the collection rates are higher. The rates have been 98 percent and above. In 2006, the rate dropped to 97 percent. This type of drop after a tax increase is not unusual. The rate is budgeted to return to 99 percent in 2007. See Exhibit 5.

Without a county-wide reassessment, the Borough will have to resort to further rate increases within the limitations noted above in order to increase real estate revenues.

### **Delinquent Real Estate**

Each year, the Borough collects a portion of the real estate taxes that are past due. The collections fall into two categories, those that are from the prior year and the delinquents. Prior year collections were broken out in the year-end statements for the years 2004 to 2006. The collections decreased slightly from \$30,227 in 2004 to \$22,503 in 2006. Delinquent collections have fluctuated from year to year, although the trend has been upward. With the tax rate increase in 2006, delinquent collections should increase for a few years as the taxes due at the higher rate are paid.

### **Real Estate Transfer Tax**

The real estate transfer or deed tax is levied on the sale price of property within the Borough. The Borough levies the tax at a 0.5 percent rate. The tax is collected by the Recorder of Deeds along with the state and school district transfer taxes. The deeds are not necessarily recorded in the year they are executed with the result that the taxes may not be collected in the year of the property sale.

Because the tax revenues are dependent on real estate transactions, major sales can have a significant impact on revenues. In general, the Borough has been collecting about \$65,000 to \$95,000 a year from this tax. In 2006 the Borough collected \$74,820 and for 2007, the Borough has budgeted \$80,000 in revenues from the tax.

### **Earned Income Tax**

The earned income tax is levied on wages, salaries and net profits of the residents of the Borough. The rate for the tax is limited to 1.0 percent. The

**CURRENT PROPERTY TAX COLLECTION RATE**

**Exhibit 4**

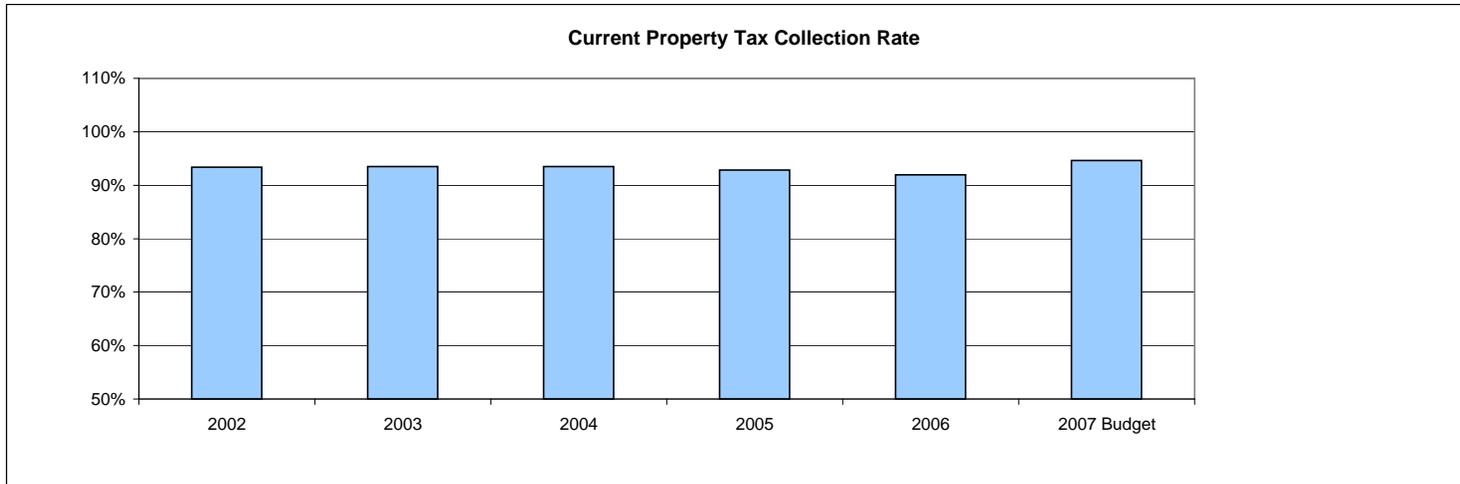
**Formula:**

$$\frac{\text{Current Collections}}{\text{Current levy}}$$

**Trend:**

The recent trend has been stable

|                         | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Current Collections     | \$ 2,942,158 | \$ 2,878,668 | \$ 2,895,291 | \$ 2,866,072 | \$ 3,446,796 | \$ 3,542,450       |
| Current Levy            | \$ 3,151,174 | \$ 3,078,054 | \$ 3,096,354 | \$ 3,087,849 | \$ 3,748,803 | \$ 3,743,584       |
| Current Collection Rate | 93%          | 94%          | 94%          | 93%          | 92%          | 95%                |



**ALL PROPERTY TAX COLLECTION RATE**

**Exhibit 5**

**Formula:**

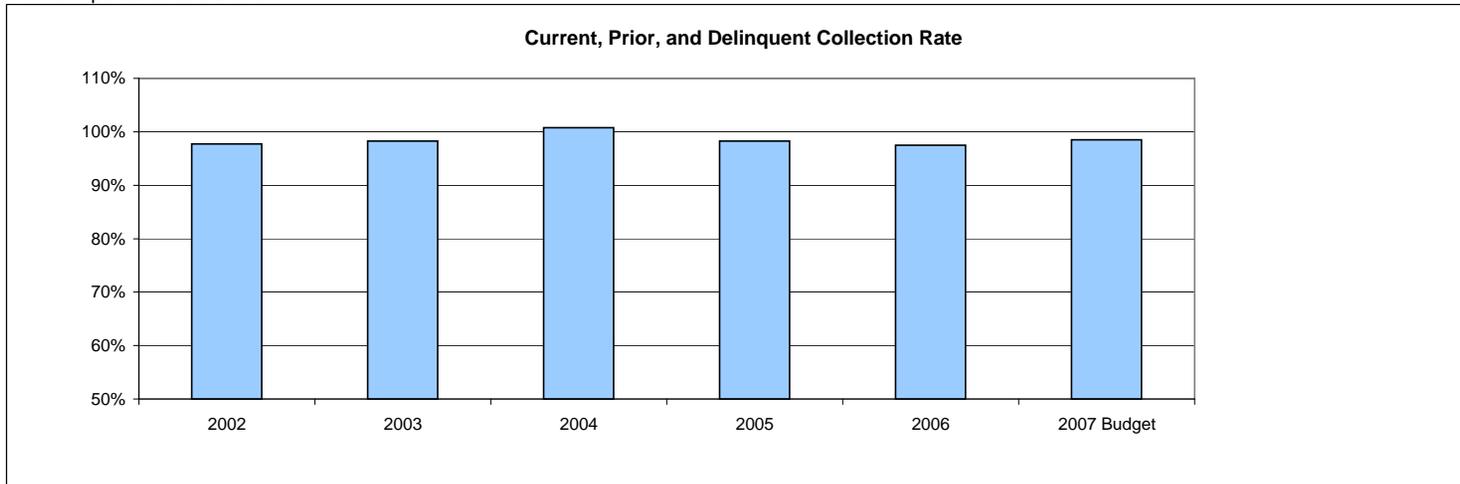
$$\frac{\text{Current, Prior, and Delinquent Collections}}{\text{Current levy}}$$

**Trend:**

The recent trend has been slightly upward

|  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------------|
| Current, Prior, and Delinquent Collections | \$ 3,079,741 | \$ 3,025,429 | \$ 3,119,181 | \$ 3,033,998 | \$ 3,654,758 | \$ 3,687,450       |
| Current Levy                               | \$ 3,151,174 | \$ 3,078,054 | \$ 3,096,354 | \$ 3,087,849 | \$ 3,748,803 | \$ 3,743,584       |
| Collection Rate                            | 98%          | 98%          | 101%         | 98%          | 97%          | 99%                |

Includes penalties and interest



Borough and the school district share this rate, each levying the tax at 0.5 percent.

The Borough also levies the tax on non-residents working within the Borough at a 1.0 percent. This rate is not shared with the school district. Pennsylvania residents working within the Borough can claim a credit for the tax they pay to their home municipality. This, in effect, exempts Pennsylvania residents from paying the non-resident earned income tax. Residents of other states do pay the non-resident earned income tax. Because the Borough is not near a neighboring state, this tax is not a significant issue.

The earned income tax revenues are dependant on both the local economy and the employment of Borough residents. Unfortunately, the revenues have been fluctuating since 2002. They peaked at \$704,189 in 2004 and declined to \$639,661 in 2006. The collections include both current and delinquent collections.

### **Occupation Privilege/Emergency and Municipal Services Tax**

The occupation privilege tax, levied at a rate of \$5 on individuals employed in the Borough, was replaced by the higher \$47 emergency and municipal services tax (EMST) in 2006. The school district levied the occupation privilege tax at \$5 and currently levies the emergency and municipal services tax at \$5. The collections include both current and delinquent collections. In 2003, the occupational privilege tax collections dropped from \$5,922 to \$4,057 due to a change in collector. The collections improved in 2004.

In 2002, based on collections of \$5,922, 1,184 employees paid the \$5 tax. In 2005, the new tax generated \$66,990 from 1,425 employees. The tax increased to \$77,486 in 2006. A portion of the increase may be due to employers becoming familiar with the tax and some fourth quarter 2005 withholdings at the higher rate that were remitted in 2006. .

The Borough provides refunds of the emergency and municipal services tax to employees who have income of less than \$12,000 from all sources. The taxpayers have to apply for the refund and provide documentation. Because the rate is \$47 for the municipality, there will be some refunds.

The state legislature has considered changes in the tax. The legislature is considering legislation that includes an exemption for individuals making less than \$12,000 a year, prorating the tax payments over all pays in the year instead of withholding the entire amount in the first month of employment, and changing the name of the tax.

These changes, if enacted, would have reduced the tax for employees who work only part of the year, and provided for quarterly payments from employers withholding the tax. The quarterly payments from employers would have reduced collections by about 25 percent in the first year as the payments for the fourth quarter would not be made until the following year. In the following year, the Borough would receive four quarters of payments, three from the current year

and one from the prior year. Reduced tax payments from temporary and seasonal employees would have further reduced payments in all years.

The Borough budgeted a reduction in collections for 2007 based on the expectations that the proposed legislation would be enacted before the end of 2006. It was vetoed by the Governor. It will probably become effective in 2008.

### **Mechanical Devices Tax**

The Borough does not levy a separate mechanical devices tax. It does impose a fee of \$750 on coin operated amusement devices. The revenues from this fee and other fees on mechanical devices are accounted for under licenses and permits. Among the 129 municipalities in Allegheny County, 111 municipalities levy the tax or fee on mechanical amusement devices at rates that range from \$50 to \$1,000. The most common rate is \$300, levied by 23 municipalities.

### **Tax Collection Costs**

In Pennsylvania, the elected tax collector is responsible for collecting the property tax for both the municipality and the school district. If the county property tax is not collected by the county, the elected tax collector collects that tax as well. Municipalities and school districts can collect other taxes in-house or contract the collection to the elected tax collector or a tax collection agency. Dormont and the Keystone Oaks School District have chosen to contract with Central Tax Bureau of Pennsylvania for the collection of the earned income tax and the emergency and municipal services tax.

In Pennsylvania, municipalities and school districts can chose among three methods to pay for property tax collection – by commission, on a per bill basis, or with a salary. In Dormont, the elected collector receives a salary of \$6,000 a year. The tax collection agency receives a commission for collecting the other taxes. For Dormont, the costs have been about 1.0 percent of the tax revenues. Compared to other municipalities in Pennsylvania, these costs are quite low. See Exhibit 6.

### **Taxes – Summary**

In 2006, the Borough collected \$4,446,125 in taxes. These taxes provided 66.3 percent of the Borough's \$6,710,887 in general fund revenues. In 2000, tax collections were only \$3,820,978. The additional tax revenues have come from increases in the real estate tax rate, and the new emergency and municipal services tax.

Tax revenues, as a percent of all regular revenues, have been increasing. The Borough has been increasing its dependence on tax revenues. In 2002, tax revenues were 64 percent of regular revenues. They are budgeted to be 67 percent of general fund revenues in 2007. See Exhibit 7.

## TAX COLLECTION COSTS

Exhibit 6

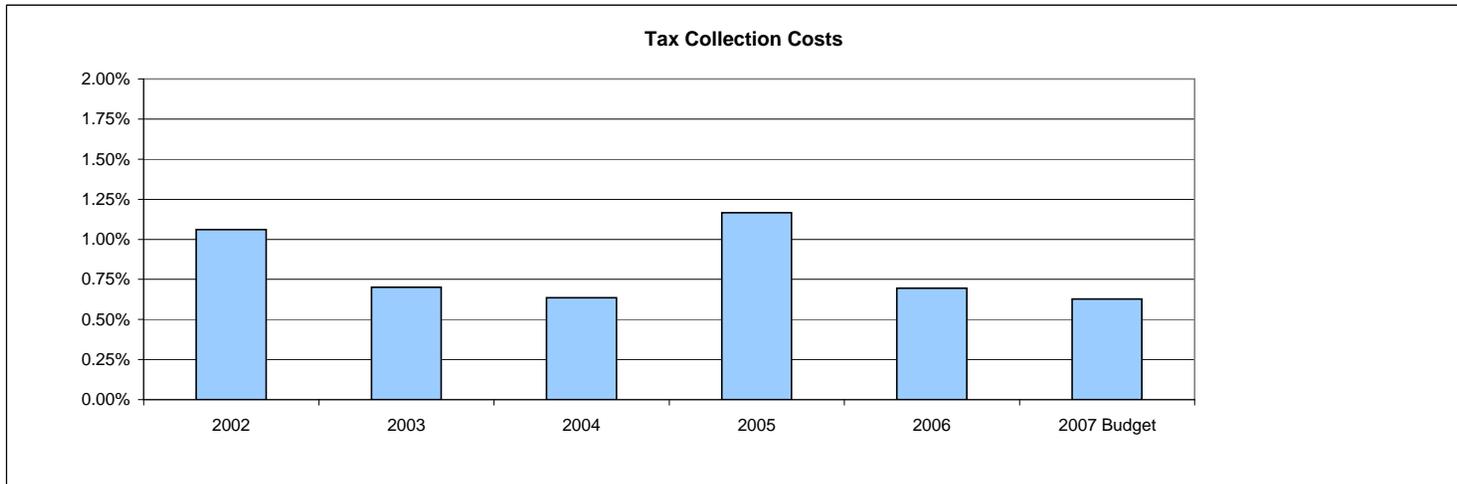
**Formula:**

$$\frac{\text{Collection Costs}}{\text{Tax Collections}}$$

**Trend:**

Recently downward

|  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------------|
| Collection Costs                               | \$ 40,551    | \$ 26,167    | \$ 24,917    | \$ 44,752    | \$ 30,939    | \$ 28,373          |
| Tax Collections                                | \$ 3,820,978 | \$ 3,729,247 | \$ 3,923,374 | \$ 3,841,223 | \$ 4,446,125 | \$ 4,514,450       |
| Tax Collection Costs as Percent of Collections | 1.1%         | 0.7%         | 0.6%         | 1.2%         | 0.7%         | 0.6%               |



## TAXES AS PERCENT OF REVENUES

## Exhibit 7

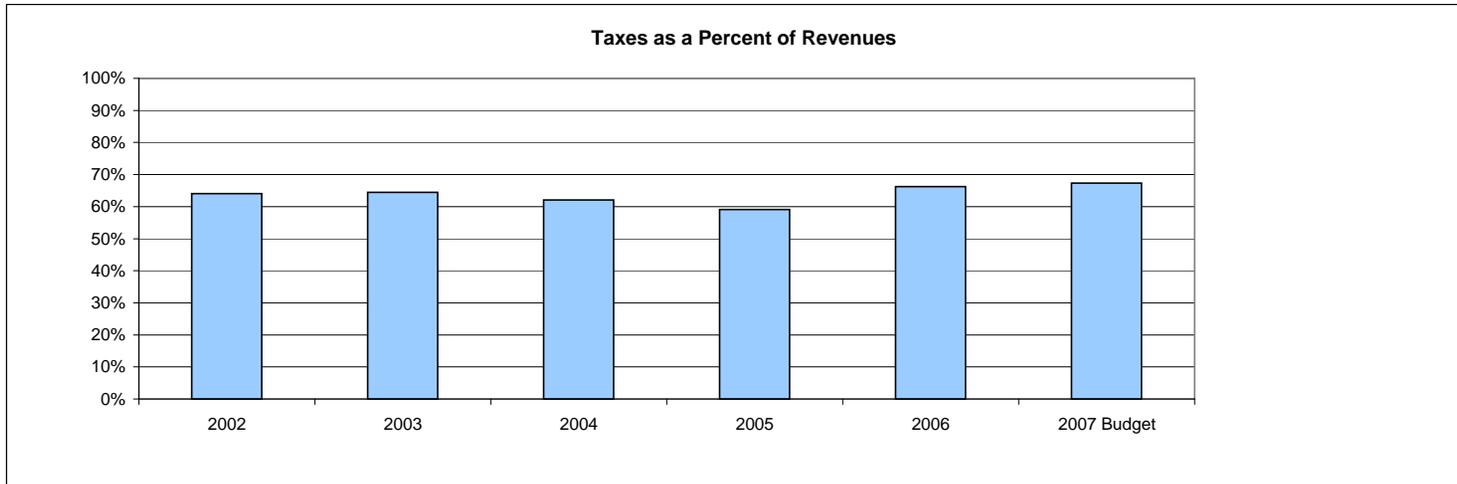
**Formula:**

$$\frac{\text{Tax Revenues}}{\text{Total Revenues}}$$

**Trend:**

The trend has been generally upward

|  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------------|
| Tax Revenues   | \$ 3,820,978 | \$ 3,729,247 | \$ 3,923,374 | \$ 3,841,223 | \$ 4,446,125 | \$ 4,514,450       |
| Total Revenues   | \$ 5,965,481 | \$ 5,785,783 | \$ 6,325,910 | \$ 6,501,102 | \$ 6,710,887 | \$ 6,709,190       |
| Cash and Investments as Percent of Current Liabilities | 64%          | 64%          | 62%          | 59%          | 66%          | 67%                |



## **Non-Tax Revenues**

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### **Licenses and Permits**

The Borough collects a number of licenses and permits. The most significant is the franchise fee from the local cable provider. The Council of Governments negotiates and collects the fee on behalf of its members. The Borough collected \$216,549 in 2002 including \$169,329 in cable franchise fees. The 2002 payment may have included funds that were due in 2001. The cable fees decreased to \$92,596 in 2003 and have been about \$100,000 a year since then. The fees are budgeted at \$65,000 in 2007. Proposed federal and state legislation that may limit local franchise fee collections and non-cable providers of television access could reduce revenues in future years.

The other major source of fee revenue is from amusement devices. They were \$41,825 in 2002 and are budgeted at \$45,000 for 2007.

### **Fines and Forfeits**

The Borough collects fines for vehicle code violations, as well as for violations of local ordinances and statutes. These fines have fluctuated from year to year. They peaked in 2002 at \$134,480. In 2005, they dropped to \$75,506. They are budgeted at \$83,050 for 2007. The fluctuations are due to changes in fines for parking violations coupled with high magistrate fines in 2003 and 2004.

### **Interest Earnings**

The Borough collects earnings on its bank balances. The earnings have increased with increases in interest rates. The Borough, however, has had less cash available for investment purposes. At the end of 2002, the Borough had \$365,946 in cash and investments. This decreased to \$107,278 by the end of 2005. The interest earnings are budgeted at \$70,000 in 2007.

### **Rentals**

Rental income, from both park facilities and buildings, has been steadily increasing at an average rate of 4.2 percent per year from \$184,323 in 2002 to a budgeted \$224,010 in 2007.

### **State Aid and Grants**

The general fund has received some intergovernmental grants each year. The Borough includes in this group some of the snow removal payments from PennDOT (often known as snow money), FEMA snow removal aid and one-time grants. As these grants are tied to specific activities and projects, they benefit the Borough but they cannot be used for on-going expenditures.

### **State Shared Revenues**

The state shares some of the revenues that it received with local municipalities. For Dormant, this means that the Borough receives a portion of the vehicle fuel

tax (often known as liquid fuels), a portion of the tax on out-of-state insurance premiums for pension assistance and aid to volunteer fire company relief associations, a portion of the public utility realty tax, and a portion of the one percent sales tax that is levied in Allegheny County.

The liquid fuel funds are accounted for in the highway aid fund. The aid to relief associations is paid directly to the relief association. The rest of these payments are accounted for in the general fund. The Borough also accounted for snow removal payments from PennDOT in this group in 2003 and 2006.

The state shared revenues have increased from \$282,333 in 2002 to \$494,763 in 2006. This increase is due to the increase in pension aid funds. In 2002 and 2003, the Borough did not receive any funding for the two pension plans as the Borough was not required to make any payments into the plans. In 2004, the Borough received \$142,656; in 2005, \$140,485; and in 2006, \$145,161.

### **Departmental Earnings**

The Borough is able to charge fees for some of the services offered by the Borough. These fees are accounted for in five groups – 1) general government, 2) special police services, 3) parking, 4) solid waste, and 5) culture and recreation. These earnings have gone from \$1,058,783 in 2002 to \$1,024,270 in 2006. The decline has averaged less than 1 percent per year. They are budgeted at \$989,730 for 2007.

The general government fees include hearing fees, dye test fees and tenant registration as well as miscellaneous fees. These fees have fluctuated between \$25,000 and \$30,000 a year.

The special police service fees include building permits and reimbursed wages under the Heart and Lung Act of 1935 as well as fees for police services. These revenues have fluctuated from a low of \$68,448 in 2004 to a high of \$176,569 in 2005. The 2005 peak was due to increases in building permits and reimbursed wages.

The parking revenues have been decreasing from a high of \$363,496 in 2003 to a budgeted \$310,000 in 2007. Parking meter revenues have been declining. Part of this has been off-set by an increase in parking permit revenues.

The solid waste revenues increased from \$345,213 in 2002 to \$414,581 in 2003. They are been relatively stable since then. They are budgeted for \$416,050 in 2007.

Revenues from culture and recreation have been decreasing. They were \$238,248 in 2002. They are budgeted at \$155,500 for 2007. In 2003 and 2004, the pool revenues were accounted for in a separate pool fund. In 2005, they returned to the general fund.

In addition to these earnings, the school district reimburses the Borough for a portion of the school crossing guard costs.

## INTERGOVERNMENTAL REVENUES

Exhibit 8

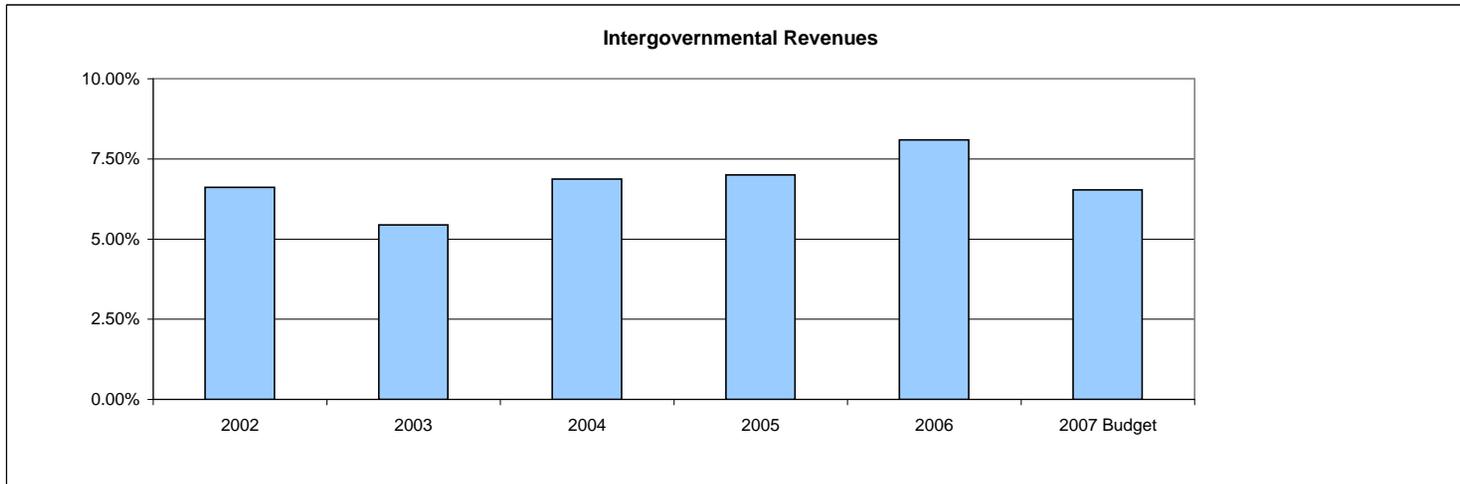
**Formula:**

$$\frac{\text{Intergovernmental Revenues}}{\text{Total Revenues}}$$

**Trend:**

Generally upward

|  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------------|
| General Fund Intergovernmental Revenues        | \$ 394,595   | \$ 314,795   | \$ 434,664   | \$ 455,127   | \$ 543,121   | \$ 438,500         |
| Total General Fund Revenues                    | \$ 5,965,481 | \$ 5,785,783 | \$ 6,325,910 | \$ 6,501,102 | \$ 6,710,887 | \$ 6,709,190       |
| Intergovernmental Revenues as Percent of Total | 6.6%         | 5.4%         | 6.9%         | 7.0%         | 8.1%         | 6.5%               |



## CONSTRUCTION PERMIT ACTIVITY

## Exhibit 9

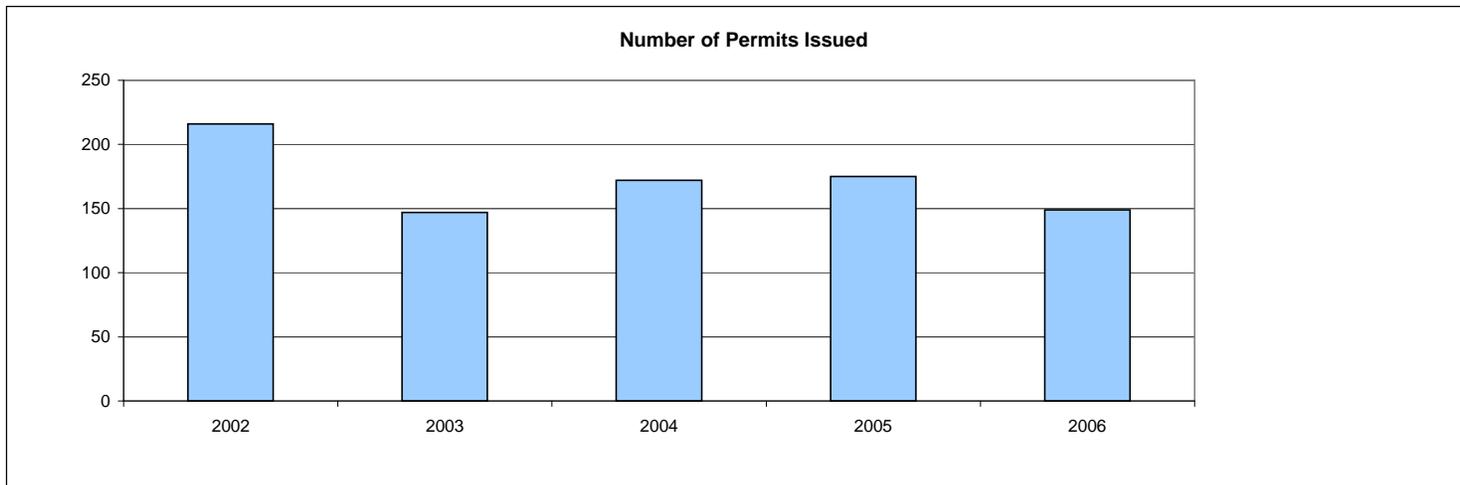
**Formula:**

$$\frac{\text{Change in Number of Permits Issued}}{\text{Number Issued in Prior Year}}$$

**Trend:**

Relatively stable in recent years

|                                 | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Permits Issued in Current Year  | 216         | 147         | 172         | 175         | 149         |
| Permits Issued in Prior Year    | 210         | 216         | 147         | 172         | 175         |
| Change in Number Issued         | 6           | (69)        | 25          | 3           | (26)        |
| Percent Change in Number Issued | 3%          | -32%        | 17%         | 2%          | -15%        |



Wherever possible, these fees should cover the cost of providing the service related to the fees. The costs should include both direct and indirect costs which may not be the case for all fees currently.

These departmental earnings and charges are a significant portion of general fund revenues. However, as these revenues have declined and other revenues have increased, they are making up a smaller percentage of revenues. In 2002, they were 17.7 percent of revenues. In 2006, they were 15.3 percent of revenues. See Exhibit 10.

### **Miscellaneous Revenues**

The miscellaneous revenues include refunds, judgments and damages, and fire damage escrow funds. These have fluctuated from a high of \$64,848 in 2003 to a low of \$22,496 in 2004. Because these revenues are unpredictable, the Borough has consistently budgeted them at nominal amounts. The 2007 budget for this group is \$23,000.

### **Sale of Fixed Assets**

In general, these revenues have been small. For 2007, however, the Borough anticipates receiving \$100,000 from the sale of two lots.

### **Transfers**

The Borough has used transfers from other funds to provide resources to the general fund. Some of these transfers can be considered as loans to the general fund. For example, in 2004, the general fund borrowed \$350,000 from the sewer fund. This was repaid in 2005. At the end of 2005, the general fund borrowed \$200,000 from the sewer fund. This was repaid in 2006. Total interfund transfers into the general fund have been decreasing from a high of \$486,000 in 2004 to a budgeted \$10,000 in 2007.

### **Refunds of prior Year Expenditures**

The refunds have fluctuated from a high of \$76,402 in 2002 to a low of \$31,348 in 2004. They are budgeted at \$46,000 for 2007.

### **Core Revenues**

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The Borough's revenues can be adjusted to obtain a true picture of the Borough's on-going operation. The adjustments include removing one-time grants and transfers from other funds. Without the adjustments, the 2006 revenues were \$6,710,887. After taking out the one-time revenues and transfers, the core revenues were \$6,640,928. .See Exhibit 11

Overall, before adjustments, revenues increased at an average rate of 3.1 percent per year. With the adjustments for non-recurring revenues, the average increase has been 3.3 percent per year.

**DEPARTMENTAL EARNINGS AND CHARGES**

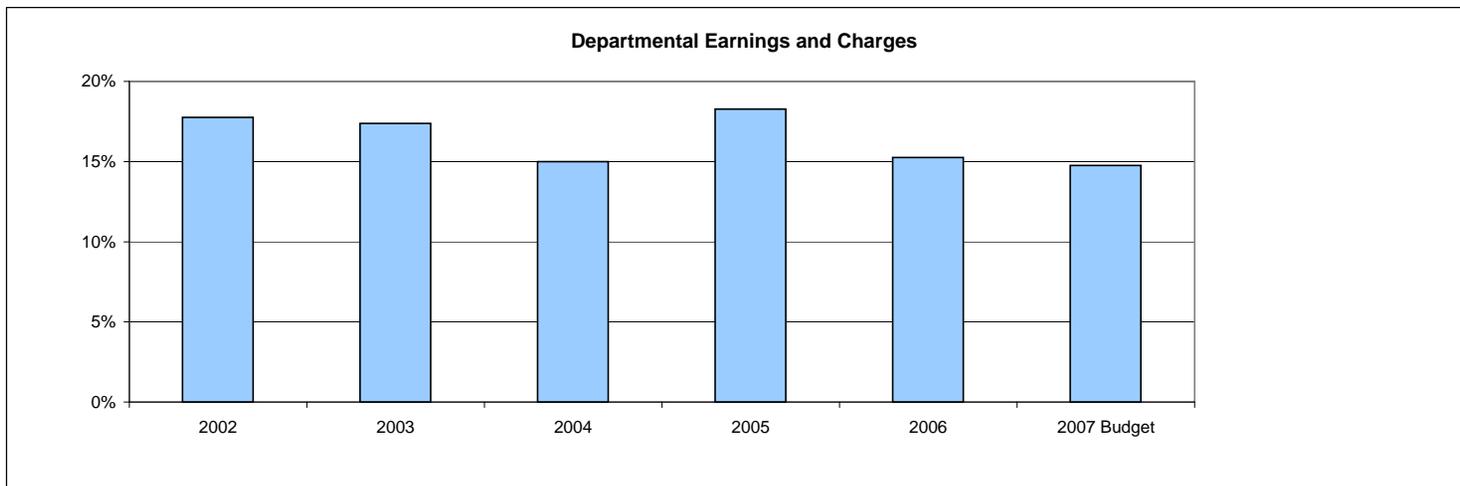
**Exhibit 10**

**Formula:**

$$\frac{\text{Departmental Revenues}}{\text{Total Revenues}}$$

**Trend:**  
Recently downward

|  | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------------|
| General Fund Departmental Earnings and Charges | \$ 1,058,784 | \$ 1,005,868 | \$ 948,844   | \$ 1,187,668 | \$ 1,024,270 | \$ 989,730         |
| Total General Fund Revenues                    | \$ 5,965,481 | \$ 5,785,783 | \$ 6,325,910 | \$ 6,501,102 | \$ 6,710,887 | \$ 6,709,190       |
| Intergovernmental Revenues as Percent of Total | 17.7%        | 17.4%        | 15.0%        | 18.3%        | 15.3%        | 14.8%              |



**Exhibit 11**  
**Adjusted Revenues and Expenditures**

|   | 2002        | 2003        | 2004        | 2005        | 2006        | 2007        | 2002-2006 | Average Annual Percent Change |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------------------------|
| <b>Total Revenues</b>                       | \$5,965,481 | \$5,785,783 | \$6,325,910 | \$6,501,102 | \$6,710,887 | \$6,709,190 | \$745,405 | 3.1%                          |
| <b>Adjustments</b>                          | -           | -           | -           | -           | -           | -           |           |                               |
| Grants                                      | 44,000      | 26,000      | 6,000       | -           | 48,358      | -           |           |                               |
| Trail Grants - DCNR                         | 65,000      | -           | -           | -           | -           | -           |           |                               |
| Proceeds from DER Grant                     | -           | 6,443       | 7,900       | 48,085      | 11,600      | -           |           |                               |
| Total Interfund Transfers                   | -           | 100,000     | 486,000     | 380,993     | 10,000      | 10,000      |           |                               |
| Total                                       | 109,000     | 132,443     | 499,900     | 429,078     | 69,958      | 10,000      |           |                               |
| <b>Core Revenue</b>                         | \$5,856,481 | \$5,653,340 | \$5,826,010 | \$6,072,025 | \$6,640,928 | \$6,699,190 | \$784,447 | 3.3%                          |
| <b>Total Expenses</b>                       | \$5,615,020 | \$5,968,528 | \$6,346,502 | \$6,542,866 | \$6,126,286 | \$6,709,190 | \$511,266 | 2.3%                          |
| Adjustments                                 | -           | -           | -           | -           | -           | -           |           |                               |
| Transfers                                   | 300,000     | 505,000     | 605,000     | 350,000     | 200,000     | 177,000     |           |                               |
| <b>Core Expenses</b>                        | \$5,315,020 | \$5,463,528 | \$5,741,502 | \$6,192,866 | \$5,926,286 | \$6,532,190 | \$611,266 | 2.9%                          |
| <b>Surplus (Deficit) before Adjustments</b> | \$350,461   | (\$182,745) | (\$20,592)  | (\$41,764)  | \$584,601   | -           |           |                               |
| <b>Surplus (Deficit) after Adjustments</b>  | \$541,461   | \$189,812   | \$84,508    | (\$120,841) | \$714,643   | \$167,000   |           |                               |

## REVENUES PER CAPITA GENERAL FUND

Exhibit 12

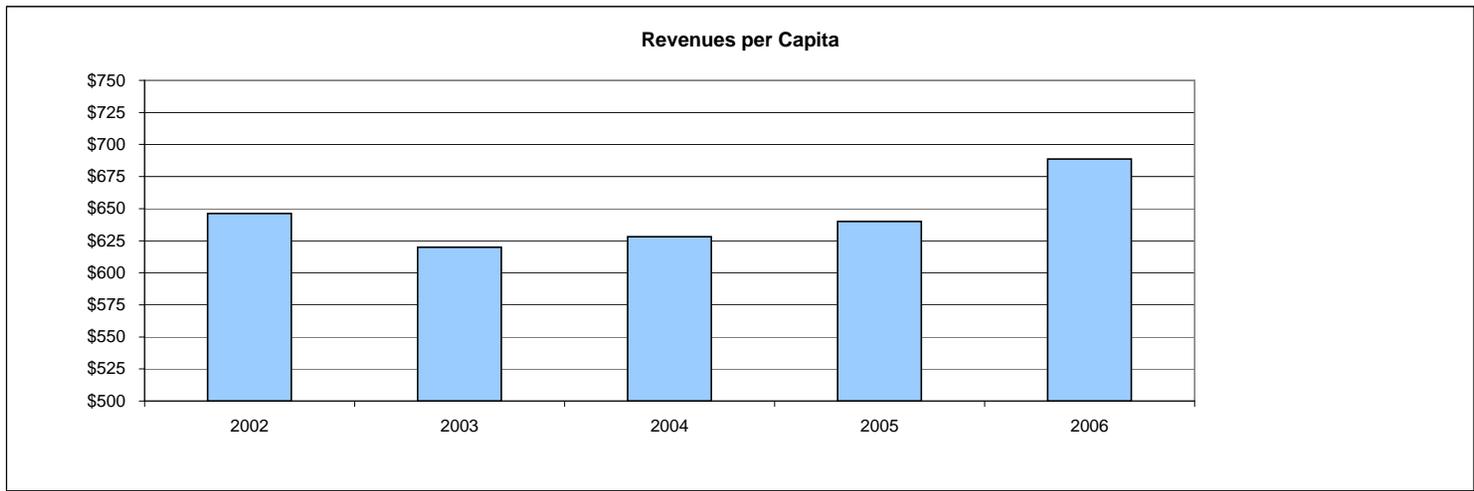
**Formula:**

$$\frac{\text{Net Operating Revenues (constant dollars)}}{\text{Population}}$$

**Trend:**

Generally upward

|   | <u>2002</u>   | <u>2003</u>   | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   |
|---|---------------|---------------|---------------|---------------|---------------|
| General Fund Core Operating Revenues                        | \$ 5,856,481  | \$ 5,653,340  | \$ 5,826,010  | \$ 6,072,025  | \$ 6,640,928  |
| Consumer price index (CPI) for the Pittsburgh Region        | 174.0         | 177.5         | 183.0         | 189.8         | 195.7         |
| Core Operating Revenues (constant dollars)                  | \$5,856,481   | \$5,541,865   | \$5,539,485   | \$5,566,556   | \$5,904,556   |
| Population  | 9,061         | 8,940         | 8,818         | 8,696         | 8,574         |
| <b>Net Operating Revenues per capita (constant dollars)</b> | <b>\$ 646</b> | <b>\$ 620</b> | <b>\$ 628</b> | <b>\$ 640</b> | <b>\$ 689</b> |



Revenues on a per capita basis, adjusted for inflation, have been increasing from \$646 in 2002 to \$689 in 2006. See Exhibit 12. The increases, however, have come from increases in the property tax millage, and the imposition of the emergency and municipal services tax.

## **Expenditures**

### **Salaries and Wages**

Salaries and wages, along with employee benefits, make up a major portion of any local government's expenditures. Together, these expenditures made up 51 percent of expenditures in 2006 in Dormont, 33 percent for regular salaries and wages, 8 percent for other pay, and 10 percent for benefits.

Staffing levels have decreased since 2001, but most of the decrease has come in seasonal employees. From 2001 to 2006, full-time and part-time employment decreased by three each, while seasonal employment dropped by 17.

#### **Borough Employment**

|           | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------|------|------|------|------|------|------|
| Full Time | 38   | 36   | 36   | 38   | 36   | 35   |
| Par Time  | 38   | 37   | 37   | 36   | 37   | 35   |
| Seasonal  | 64   | 62   | 67   | 75   | 61   | 47   |
| Total     | 140  | 135  | 140  | 149  | 134  | 117  |

Staffing levels in the Borough are high compared to all other municipalities in the state. In 2001, the Borough had 4.0 full-time employees for every 1,000 residents. This number increased slightly to 4.3 in 2004 then decreased to 4.1 full-time employees per 1,000 residents in 2006. The average for all local governments in Pennsylvania, with the exception of Philadelphia and Pittsburgh, in 2002 was 3.3 full-time employees per 1,000 residents. See Exhibit 13.

Total salaries and wages increased from \$1,749,401 in 2002 to a budgeted \$2,233,247 for 2007. From 2002 to 2006, wages and salaries increased at an average rate of 4 percent per year. This is slightly higher than the average rate of increase of 3.2 percent in average annual pay for all local government employment in Allegheny County from 2001 to 2005 as reported by the Bureau of Labor Statistics in the *Quarterly Census of Employment and Wages*.

### **Benefits**

Benefits, including the Borough's contribution to the pension plans, increased at an average rate of 18.2 percent per year from 2002 to 2006. Most of this increase is due to the Borough's contributions to the pension plans beginning in 2004. The Borough was not required to contribute to these plans in 2002 and

**EMPLOYEES PER CAPITA**

**Exhibit 13**

**Formula:**

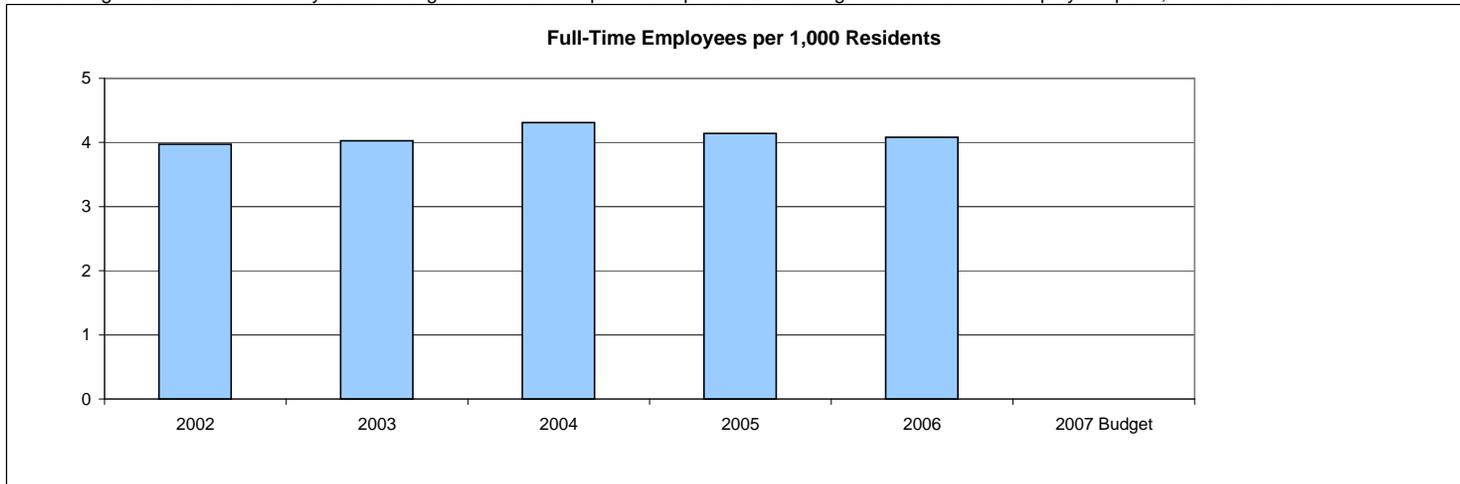
$$\frac{\text{Full-Time Employees}}{\text{Population in 1,000s}}$$

**Trend:**

Relatively stable

|                               | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007 Budget</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| Full-time Employees           | 36          | 36          | 38          | 36          | 35          |                    |
| Population in 1,000           | 9.06        | 8.94        | 8.82        | 8.70        | 8.57        | 8.45               |
| Employees per 1,000 residents | 4.0         | 4.0         | 4.3         | 4.1         | 4.1         |                    |

The average in 2002 for all Pennsylvania local governments except Philadelphia and Pittsburgh was 3.3 full-time employees per 1,000 residents



2003. The cost of benefits as a percent of total regular wages and salaries peaked at 33 percent in 2004 with the beginning of the contributions to the pension plans and the percentage has decreased to 29 percent of regular wages and salaries in 2006. See Exhibit 14

**Pension costs**

The major benefit increase has come in pension contributions that began in 2004. Because of the funding status of the pension plans, the Borough was not required to make contributions to these plans in 2002 and 2003. In 2004, the Borough’s contribution was made with \$142,657 in state pension aid. In 2005, the Borough had to supplement the \$140,485 in state aid with \$21,636 in Borough funds. In 2006, the state aid covered the municipal contribution.

The Borough has two pension plans, one for police and one for other employees. At the beginning of 2005, according to the last actuarial reports on the pension plans, the plans had no unfunded liabilities.

The police plan, as with all police plans in Pennsylvania, is a defined benefit plan. Police officers are eligible for a pension upon the later of 25 years of service or attainment of age 50. The monthly pension is equal to 50 percent of the final monthly average compensation based on the last 36 months of employment. Participants are vested after 12 years of service. Employees are eligible for early retirement after 20 years of service at a reduced benefit. During 2007, employees are required to contribute 7 percent of their pay to the plan. On January 1, 2005, there were eight retired police officers and beneficiaries, and 15 active employees of whom seven were vested.

The non-uniformed plan is a defined benefit plan. Employees are eligible for retirement upon the later of 20 years of credited service or attainment of age 65. Employees are vested after ten years. The monthly benefit is equal to 1.25 percent of final monthly compensation multiplied by the number of years credited service. Employees are required to contribute 3.5 percent of their pay to the plan. On January 1, 1995, there were seven retirees and beneficiaries, and 17 active employees, of whom 13 were vested.

Defined benefit plans have the potential of becoming under funded if the contributions to the plan from employees, state aid, the Borough and plan earnings do not keep up with the plan’s liabilities. Fortunately, the plan is not currently under funded.

**Police Retirement Plan**

| Year |             | Asset Value<br>Funded Ratio | Accrued | Liability |
|------|-------------|-----------------------------|---------|-----------|
| 2001 | \$5,061,139 | \$3,350,645                 |         | 151.05%   |
| 2003 | 5,028,531   | 4,876,103                   |         | 103.13%   |
| 2005 | 5,549,827   | 5,279,902                   |         | 105.11%   |

**BENEFIT COSTS**

**Exhibit 14**

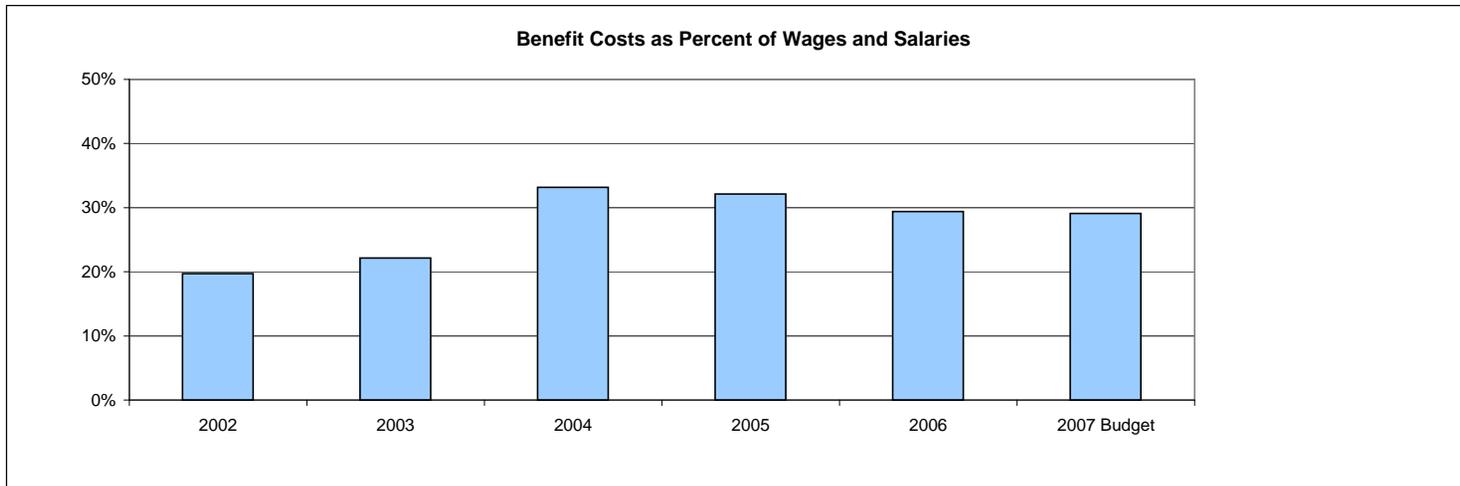
**Formula:**

$$\frac{\text{Total Benefit Costs}}{\text{Total Regular Wages and Salaries}}$$

**Trend:**

Increase in 2004 due to pension payments  
Downward since then

|   | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------------|
| Total Benefit Costs                         | \$ 344,598   | \$ 411,381   | \$ 643,439   | \$ 630,882   | \$ 596,109   | \$ 649,252         |
| Total Regular Wages and Salaries            | \$ 1,749,401 | \$ 1,856,016 | \$ 1,940,762 | \$ 1,963,890 | \$ 2,026,467 | \$ 2,233,247       |
| Benefits as a Percent of Wages and Salaries | 20%          | 22%          | 33%          | 32%          | 29%          | 29%                |



Between 2001 and 2003, benefit modifications contributed \$281,545 to the increase in accrued liabilities. Other contributing factors include increases in salaries that exceeded the actuarial assumptions and two disability retirements. In 2003, the valuation of plan benefits was presented on a plan termination basis. In 2005, the valuation was presented on an on-going basis. This increased the liability.

### **Non-Uniformed Retirement Plan**

| Year | Asset Value  | Accrued     | Liability |
|------|--------------|-------------|-----------|
|      | Funded Ratio |             |           |
| 2001 | \$1,529,485  | \$1,099,643 | 139.09%   |
| 2003 | 1,564,518    | 1,253,867   | 124.78%   |
| 2005 | 1,639,717    | 1,356,946   | 120.84%   |

An increase in normal costs as a percent of payroll contributed to the change in accrued liability between 2001 and 2003. The change to a valuation presented on an on-going basis in 2005 also increased the liability. Lower than expected salary increases off-set this increase.

The decreases in the funded ratios for both plans between 2001 and 2005 are due, in part, to changes in the determination of the actuarial valuation of assets to a smoothing method in 2003. This method moderates both market losses and gains.

Currently, the only contributions that are needed for the plan are those needed to cover the normal costs and administrative expenditures. Normal costs are the costs that are assigned to a year to pay for the anticipated benefits derived from service during the year. These contributions have been covered, for the most part, by employee contributions and state aid.

It is hoped that the actuarial valuation of the plan will increase as the investment market's performance increases. Without these increases, the Borough may have to begin funding an unfunded liability in the plan in the future. Increases in benefits could also increase the likelihood of an unfunded liability.

### **Health Insurance**

Health insurance costs have increased since 2002, but recently, the Borough has been able to reduce costs. From 2002 to 2005, they increased from \$212,763 to \$342,046. By 2006, they had decreased to \$313,399. A further decrease to \$300,000 is budgeted for 2007.

The Borough pays the entire premium for the health insurance plan. In 2007, the plan is the Highmark PPO Blue Plan. Employees are responsible for co-pays up to \$25, payments for non-covered services, and out-of-network payments.

The Borough makes payments to non-uniformed employees who decline coverage because they have it from other sources such as a working spouse. The payments are equal to 50 percent of the current premium up to \$250 a month. Opt-out payments can encourage employees who can obtain coverage elsewhere to decline coverage with the Borough.

The Borough provides dental and vision care. Employees pay two-thirds of any dental care premium over \$20 a month. The Borough pays \$20 a month plus one-third of any premium over \$20 a month. The Borough pays the entire premium for vision care. Employees are responsible for some co-payments and deductibles for the dental and vision coverage.

The Borough has the option to reopen labor contracts each year to negotiate changes in health insurance and employee contributions.

The Borough currently provides limited post-retirement individual health care benefits to retired police officers. Retired employees receive \$350 a month toward the purchase of health insurance coverage until the employee becomes eligible for Medicare. A retired employee is not eligible for this benefit if the employee has coverage from a subsequent employer or spouse.

The health care benefits offered by the Borough are both generous to employees and costly to the Borough. The International City/County Management Association surveyed municipalities with populations of 2,500 or more on health care plans in 2002. The survey revealed that 99.5 percent of the 3,101 municipalities that responded to the survey offer health insurance. Only 62.3 percent offered health insurance to retired employees. Fewer than half, 44.7 percent, did not require a premium contribution from union employees. Over half of the municipalities said that they were either likely to increase the premium paid by employees (47.1 percent) or that they were going to pay more (11.9 percent) in the next two years. (ICMA, *Health Care Plans for Local Government Employees*, 2002)

A 2006 Federal survey of private sector employers found that 62 percent of the employers offered health care benefits to current employees. Seventy-five percent of workers participating in a care plan made a contribution to plan premiums for single coverage and 87 percent for family coverage. The average contribution for single coverage was 18 percent of the premium, and for family coverage, 30 percent of the premium. (Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in Private Industry in the United States*, March 2006)

### **Unemployment and FICA**

These costs have fluctuated from year to year. In 2004 and 2005, unemployment compensation insurance payments were high due to a number of terminations. In 2004, the cost was \$13,856; in 2005, \$15,565. In 2006, this cost was only \$1,681. FICA payments went from \$100,525 in 2002 to \$103,112 in 2006 as wages and salaries increased.

## **Leave Pay**

Leave pay includes pay for time not worked – training, vacation and holiday buybacks and holiday pay. This increased slightly between 2002 and 2006, going from \$66,621 in 2002 to \$71,934 in 2006.

## **Other Salaries and Wages Costs**

Other salaries and wages include pay for time worked outside of the regular salaries and wages. These costs include longevity payments, overtime, DARE, summer labor costs, shift differentials, court time, fire calls and reimbursable wages. As a group, these costs increased from \$327,980 in 2002 to \$364,216 in 2006. They have increased at an average rate of 6 percent per year. They are budgeted at \$433,940 for 2007.

The major cost in this group is overtime. Overtime has fluctuated from a low of \$165,705 in 2003 to a high of \$249,885 in 2005. Both police and fire protection peaked in 2005 with police overtime at \$145,832 and fire protection at \$64,831. In 2006, the total cost of overtime was held to \$190,089. Reductions in available staff have contributed to the overtime. In 2007, overtime is budgeted at \$250,000.

Over the five year period, 2002 through 2006, overtime averaged \$201,468 a year with police overtime averaging \$120,186, fire protection overtime averaging \$44,236, public works overtime averaging \$19,654, and park overtime averaging \$16,674.

Court time has also been significant, increasing from \$38,325 in 2002 to \$52,382 in 2006. The average annual increase was 9.2 percent. Reimbursable wages have also increased significantly from \$9,233 in 2002 to \$44,913 in 2006. Reimbursable wages are paid for contracted services at outside events. Contract services can include traffic control for road contractors and security for private enterprises. The Borough is reimbursed for contract services. The other costs in this group were relatively stable of the five year period.

## **Materials and Supplies**

Supplies make up slightly over 2 percent of 2006 expenditures. Between 2002 and 2006, supply costs decreased at an average rate of 3.4 percent per year. These costs decreased from \$144,333 in 2002 to \$124,972 in 2006. They are, however, budgeted to increase to \$173,500 in 2007. In 2003 and 2004, pool chemical were budgeted separately in the pool fund.

## **Other Services**

Other services include payments to others for a broad range of services. They include professional fees, telephone and other communication services, advertising, printing, insurance, utilities, repair and maintenance, rentals, and computer hardware and software. In 2006, these expenditures made up 23.3 percent of expenditures. These expenditures went from \$1,272,300 in 2002 to

\$1,427,519 in 2006. They increased at an average annual rate of 3.0 percent. There were a few significant changes.

### **Insurance**

In 2006, insurance made up 6.7 percent of total expenditures. Insurance costs increased from \$264,193 in 2002 to \$411,141 in 2006. The major component in this increase was in workers' compensation. This cost increased by \$122,540 from \$145,695 in 2002 to \$268,235 in 2006. Liability insurance also increased due to a number of small claims and two large claims.

### **Utilities**

Utilities made up 9.2 percent of expenditures in 2006. They decreased from \$591,501 in 2002 to \$564,447 in 2006. They are budgeted to increase to \$686,700 in 2007. The major component in the increase is in contract garbage collections.

### **Other Charges**

Other charges include judgments and damages, dues, credit card fees, other contract services, and meetings and conferences. In 2006, they made up only 1.7 percent of expenditures. From 2002 to 2006 they decreased from \$135,429 to \$102,047. The decrease came in other contract services.

The major components in other contract services are animal control and dispatch services. Police dispatch services went from \$71,835 in 2002 to a high of \$126,821 in 2004. They are budgeted at \$26,000 for 2007. Dispatch was provided by Mt. Lebanon. It is now provided directly by Allegheny County. Animal control expenditures went from \$14,279 in 2002 to only \$3,665 in 2006. They are budgeted at \$16,000 in 2007. The changes in dispatch costs have come

### **Contributions to others**

Contributions to others made up 1.7 percent of expenditures in 2006. They decreased slightly from \$108,187 in 2002 to \$104,120 in 2006. They are budgeted at \$143,350 in 2007. The major component has been contributions to the library and the volunteer fire companies. The budgeted increases in 2007 are due grant matches and an increase in the contribution to the fire companies.

### **Capital purchases and construction**

The Borough accounts for some capital expenditures in the general fund. The amounts have fluctuated from year to year. In 2004, no capital purchases were included in the general fund. In 2005, they were \$87,737 and in 2006, \$89,700. In 2007, they are budgeted to be \$152,500. This includes equipment leases.

The major expenditures have been for police cars, a dump truck, and a street sweeper. The Borough is considering the purchase of a pumper in 2007 to

replace the 1979 American LaFrance. The remaining budgeted expenditures are spread through recreation, the pool, and parks and playgrounds.

### **Debt Service**

The Borough includes principal and interest payments in the general fund instead of accounting for them in a sinking fund or a capital projects fund. In 2002, total general fund debt service was \$930,388. It increased to \$979,083 in 2005. Since then, it has declined to a budgeted \$890,787 for 2007. This includes tax anticipation note interest.

The Borough's debt and debt service are high. The total debt on a per capita basis in 2006 was \$864. The median for all Pennsylvania boroughs was \$230. In 2006, debt service was 13 percent of total general fund revenues. See Exhibits 15 through 17.

### **Transfers to other funds**

Each year, funds are transferred from the general fund into other funds. In 2002, 2003 and 2004, the major transfers were into the capital fund. These totaled \$1,380,000. The Borough has budgeted a transfer of \$177,000 into the capital fund for 2007. In 2005 and 2006, all of the transfers were into the sewer fund. These totaled \$550,000. The transfers into the sewer fund constitute repayments of loans from the sewer fund into the general fund. In 2003 and 2004, the Borough maintained a separate pool fund. \$30,000 was transferred into the pool fund during these years.

### **Core Expenditures**

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The Borough's expenditures can be adjusted to obtain a true picture of the Borough's on-going operation. The adjustments remove one-time revenues and expenditures, such as grants and interfund transfers.

All expenditures have increased from \$5,615,020 in 2001 to a budgeted \$6,699,190 2007. With the adjustments, these core expenditures have risen from \$5,315,020 in 2001 to a budgeted \$6,532,190 for 2007. The expenditures before adjustments increased at an average rate of 2.3 percent per year. The average rate of increase after adjustments is 2.9 percent per year. See Exhibit 19. The increases, before and after adjustments, have been moderate.

Overall expenditures however are high compared to other municipalities in Pennsylvania. When Dormont is compared to all other boroughs, market value per capita is low, while taxes, revenues, expenditures and debt on a per capita basis are high.

**LONG TERM DEBT PER CAPITA**

**Exhibit 15**

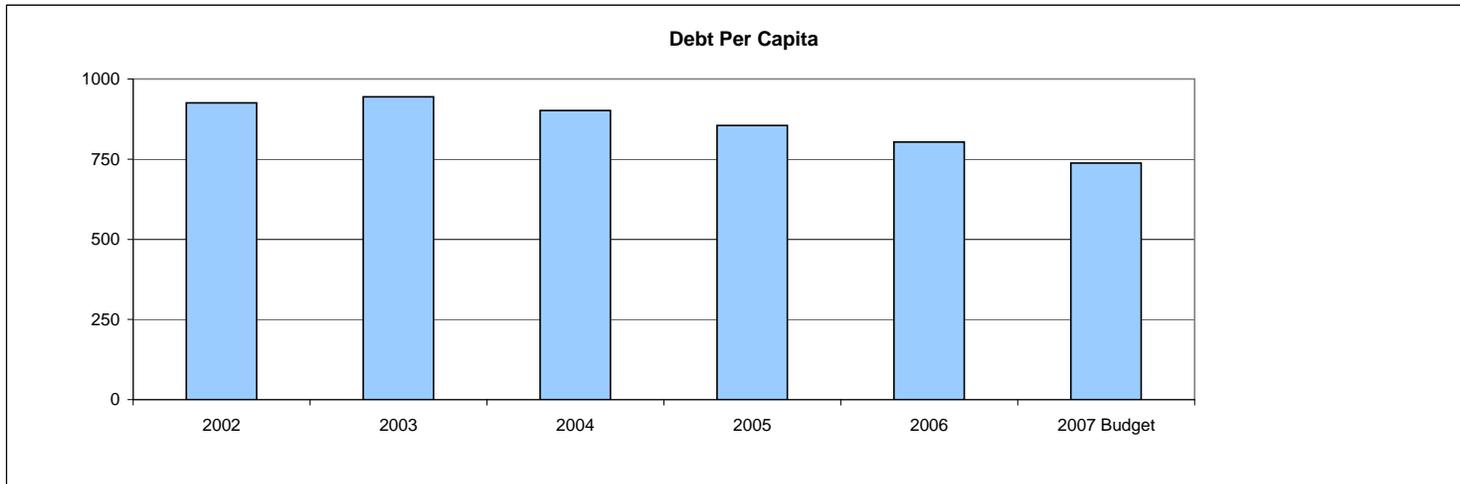
**Formula:**

$$\frac{\text{Year-End Debt}}{\text{Population}}$$

**Trend:**

Slightly downward

|                 | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Year-End Debt   | \$ 8,382,370 | \$ 8,445,716 | \$ 7,951,299 | \$ 7,433,957 | \$ 6,892,220 | \$ 6,234,487       |
| Population      | 9,061        | 8,940        | 8,818        | 8,696        | 8,574        | 8,452              |
| Debt Per Capita | 925          | 945          | 902          | 855          | 804          | 738                |



**LONG TERM DEBT**

**Exhibit 16**

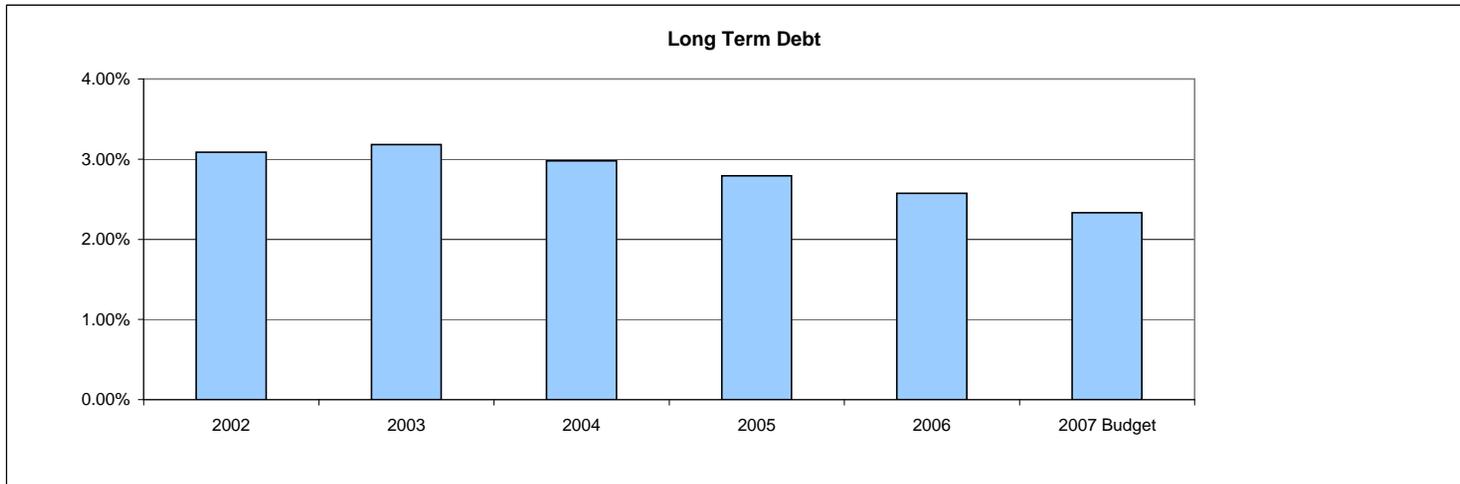
**Formula:**

$$\frac{\text{Year-End Debt}}{\text{Assessed Real Estate Valuation}}$$

**Trend:**

High, but decreasing

|                                | <u>2002</u>    | <u>2003</u>    | <u>2004</u>    | <u>2005</u>    | <u>2006</u>    | <u>2007 Budget</u> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Year-End Debt                  | \$ 8,382,370   | \$ 8,445,716   | \$ 7,951,299   | \$ 7,433,957   | \$ 6,892,220   | \$ 6,234,487       |
| Assessed Real Estate Valuation | \$ 271,652,909 | \$ 265,349,480 | \$ 266,927,050 | \$ 266,193,850 | \$ 267,771,650 | \$ 267,398,850     |
| Debt as Percent of Valuation   | 3.09%          | 3.18%          | 2.98%          | 2.79%          | 2.57%          | 2.33%              |



**DEBT SERVICE COSTS**

**Exhibit 17**

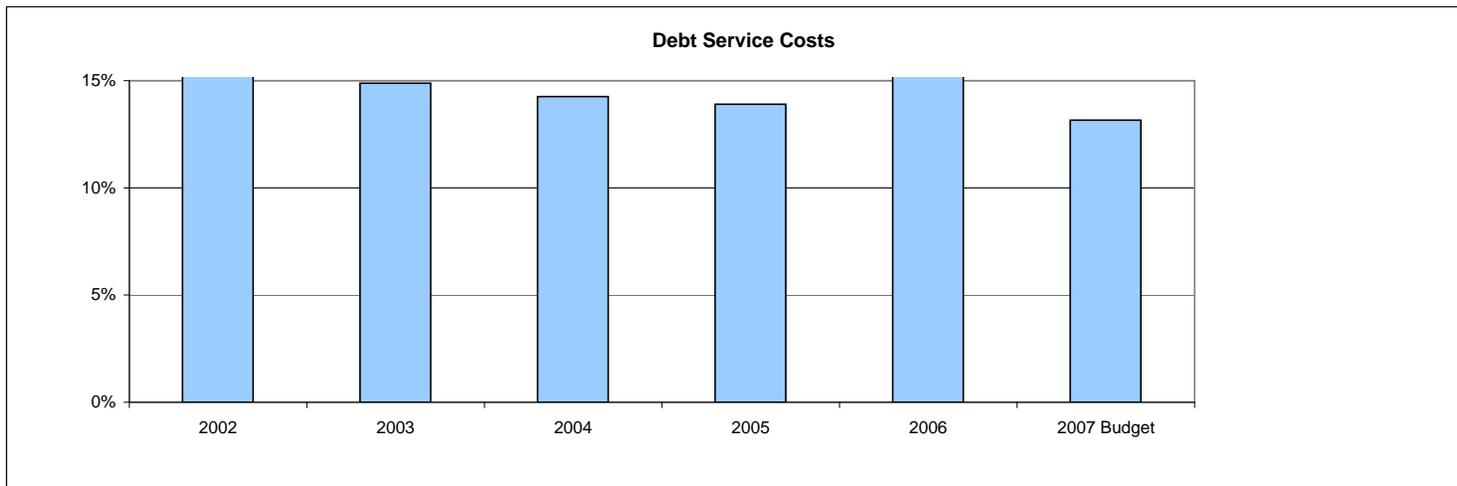
**Formula:**

$$\frac{\text{Debt Service}}{\text{Total Revenues}}$$

**Trend:**

High, but decreasing

|                                     | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Debt Service                        | \$ 934,607   | \$ 860,735   | \$ 901,984   | \$ 904,033   | \$ 1,430,869 | \$ 883,264         |
| Total Revenues                      | \$ 5,965,481 | \$ 5,785,783 | \$ 6,325,910 | \$ 6,501,102 | \$ 6,710,887 | \$ 6,709,190       |
| Debt Service as Percent of Revenues | 16%          | 15%          | 14%          | 14%          | 21%          | 13%                |



## 2004 Per Capita Financial Information

|                             | Market Value<br>Per Capita | Taxes Per<br>Capita | Revenue<br>Per Capita | Expenditures<br>Per Capita | Debt Per<br>Capita |
|-----------------------------|----------------------------|---------------------|-----------------------|----------------------------|--------------------|
| Median for 3rd Class Cities | 23,511                     | 290                 | 836                   | 808                        | 572                |
| Median for Boroughs         | 33,260                     | 169                 | 437                   | 445                        | 230                |
| Median for Townships        | 50,201                     | 127                 | 273                   | 272                        | 90                 |
| Dormont                     | 28,105                     | 428                 | 966                   | 986                        | 855                |

2004 Municipal Statistics

Core expenditures per capita, adjusted for inflation, have been on an upward trend. In 2002, they were \$587 per resident. For budget 2007, they are \$672 per resident. This means that the Borough's expenditures on a per capita basis are increasing at a rate that exceeds the rate of inflation. This trend is the product of an increase in expenditures coupled with a decrease in the population. See Exhibit 18.

### Financial Position

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The Borough ended the year with deficits in 2003, 2004 and 2005. In 2003 and 2004, a portion of the deficits was due to the transfers into the capital fund. In 2006, due to a millage increase and the additional revenues from the emergency and municipal services tax, the Borough was able to end the year with a surplus.

With the exception of the 2005, the Borough's ongoing revenues have exceeded the Borough's on-going expenditures. For example, in 2002, the Borough's operating position was 0.91. This means that only 91 percent of the Borough's on-going revenues were needed to pay the Borough's on-going expenditures. Unfortunately, in 2005, the operating position was 1.02. Following the tax increases, the operating position improved. This means that reserves were needed to pay expenditures. See Exhibit 20.

The Borough's year-end cash positions have not been good. Based on the comprehensive annual financial audits, the Borough has not had the resources in year-end cash and investments to meet the year-end current liabilities. In 2006, the year-end cash position improved. See Exhibit 21.

### Budget Practices

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The Borough's budgets have not always been accurate. It is considered good practice to underestimate revenues and to overestimate expenditures. In the past five years, 2002 through 2006, actual on-going revenues have exceeded budgeted revenues in two years; in the other three years, there have been shortfalls. In 2003, the shortfall was significant. See Exhibit 22.

**EXPENSES PER CAPITA GENERAL FUND**

**Exhibit 18**

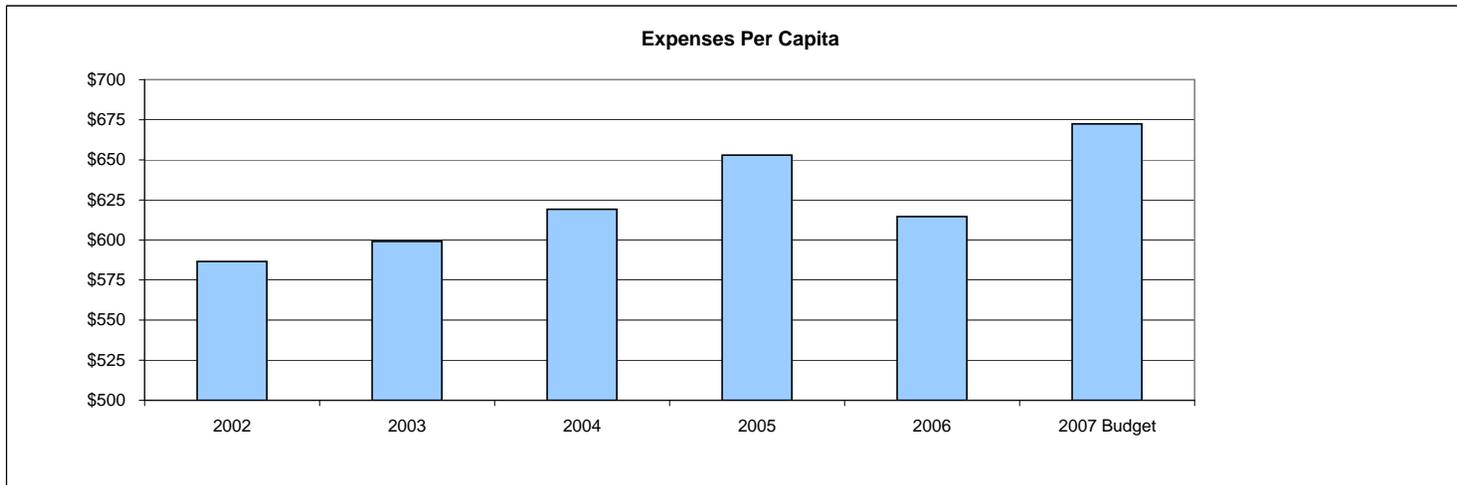
**Formula:**

$$\frac{\text{Core Operating Expenses (constant dollars)}}{\text{Population}}$$

**Trend:**

Generally upward until 2006

|   | <u>2002</u>   | <u>2003</u>   | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007 Budget</u> |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|
| General Fund Core Operating Expenditures                        | \$ 5,315,020  | \$ 5,463,528  | \$ 5,741,502  | \$ 6,192,866  | \$ 5,926,286  | \$ 6,532,190       |
| Consumer price index (CPI) for the Municipality's Area          | 174.0         | 177.5         | 183.0         | 189.8         | 195.7         | 200.0              |
| Core Operating Expenditures (constant dollars)                  | \$5,315,020   | \$5,355,796   | \$5,459,133   | \$5,677,338   | \$5,269,155   | \$5,682,852        |
| Population  | 9,061         | 8,940         | 8,818         | 8,696         | 8,574         | 8,452              |
| <b>Net Operating Expenditures per capita (constant dollars)</b> | <b>\$ 587</b> | <b>\$ 599</b> | <b>\$ 619</b> | <b>\$ 653</b> | <b>\$ 615</b> | <b>\$ 672</b>      |



**Exhibit 19  
Adjusted Revenues and Expenditures**

|   | <b>2002</b>      | <b>2003</b>      | <b>2004</b>      | <b>2005</b>      | <b>2006</b>     | <b>2007</b>     | <b>2002-2006</b>  | <b>Average Annual Percent Change</b> |
|---|------------------|------------------|------------------|------------------|-----------------|-----------------|-------------------|--------------------------------------|
| <b>Total Revenues</b>                       | \$5,965,481      | \$5,785,783      | \$6,325,910      | \$6,501,102      | \$6,710,887     | \$6,709,190     | \$745,405         | 3.1%                                 |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Adjustments</b>                          |                  |                  |                  |                  |                 |                 |                   |                                      |
| Grants                                      | \$44,000         | \$26,000         | \$6,000          | -                | \$48,358        | -               | \$4,358           |                                      |
| Trail Grants - DCNR                         | 65,000           | -                | -                | -                | -               | -               | (65,000)          |                                      |
| Proceeds from DER Grant                     | -                | 6,443            | 7,900            | 48,085           | 11,600          | -               | 11,600            |                                      |
| Total Interfund Transfers                   | -                | 100,000          | 486,000          | 380,993          | 10,000          | 10,000          | 10,000            |                                      |
| <b>Total</b>                                | <b>\$109,000</b> | <b>\$132,443</b> | <b>\$499,900</b> | <b>\$429,078</b> | <b>\$69,958</b> | <b>\$10,000</b> | <b>(\$39,042)</b> |                                      |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Core Revenue</b>                         | \$5,856,481      | \$5,653,340      | \$5,826,010      | \$6,072,025      | \$6,640,928     | \$6,699,190     | \$784,447         | 3.3%                                 |
| <b>Total Expenses</b>                       | \$5,615,020      | \$5,968,528      | \$6,346,502      | \$6,542,866      | \$6,126,286     | \$6,709,190     | \$511,266         | 2.3%                                 |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Adjustments</b>                          |                  |                  |                  |                  |                 |                 |                   |                                      |
| Transfers                                   | \$300,000        | \$505,000        | \$605,000        | \$350,000        | \$200,000       | \$177,000       | (\$100,000)       |                                      |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Core Expenses</b>                        | \$5,315,020      | \$5,463,528      | \$5,741,502      | \$6,192,866      | \$5,926,286     | \$6,532,190     | \$611,266         | 2.9%                                 |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Surplus (Deficit) before Adjustments</b> | \$350,461        | (\$182,745)      | (\$20,592)       | (\$41,764)       | \$584,601       | -               | \$234,140         |                                      |
|   | -                | -                | -                | -                | -               | -               | -                 |                                      |
| <b>Surplus (Deficit) after Adjustments</b>  | \$541,461        | \$189,812        | \$84,508         | (\$120,841)      | \$714,643       | \$167,000       | \$173,181         |                                      |

**OPERATING POSITION**

**Exhibit 20**

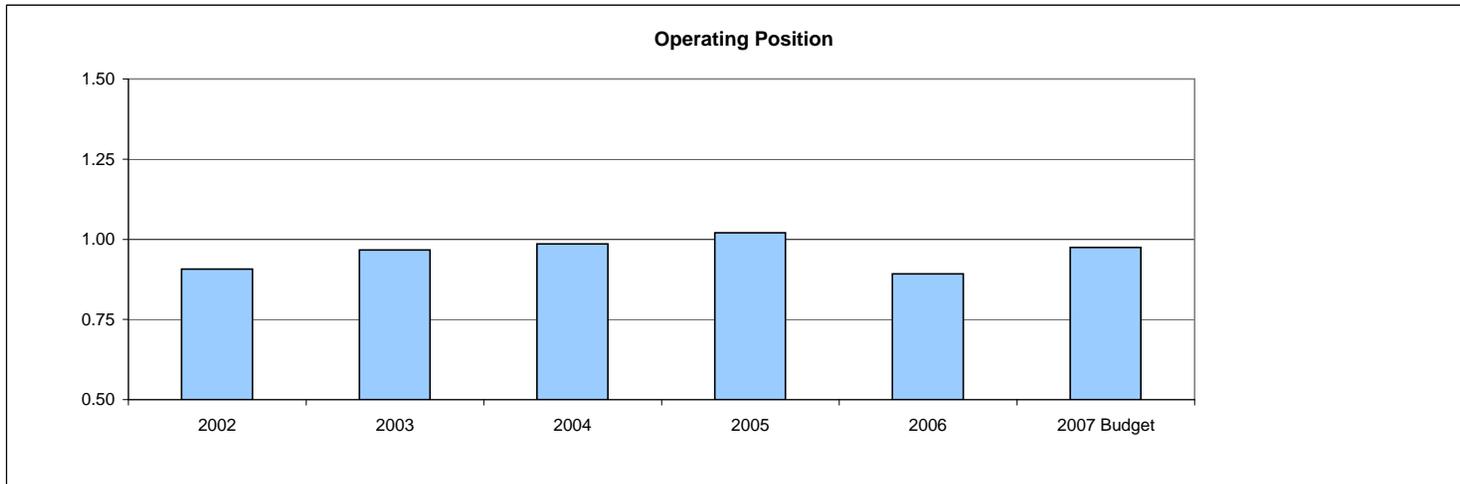
**Formula:**

$$\frac{\text{Core Expenditures}}{\text{Core Revenues}}$$

**Trend:**

Core revenues have exceeded  
Core expenditures in most years

|                    | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  | <u>2007 Budget</u> |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Core Expenditures  | \$ 5,315,020 | \$ 5,463,528 | \$ 5,741,502 | \$ 6,192,866 | \$ 5,926,286 | \$ 6,532,190       |
| Core Revenues      | \$ 5,856,481 | \$ 5,653,340 | \$ 5,826,010 | \$ 6,072,025 | \$ 6,640,928 | \$ 6,699,190       |
| Operating Position | 0.91         | 0.97         | 0.99         | 1.02         | 0.89         | 0.98               |



**YEAR-END CASH POSITION**

**Exhibit 21**

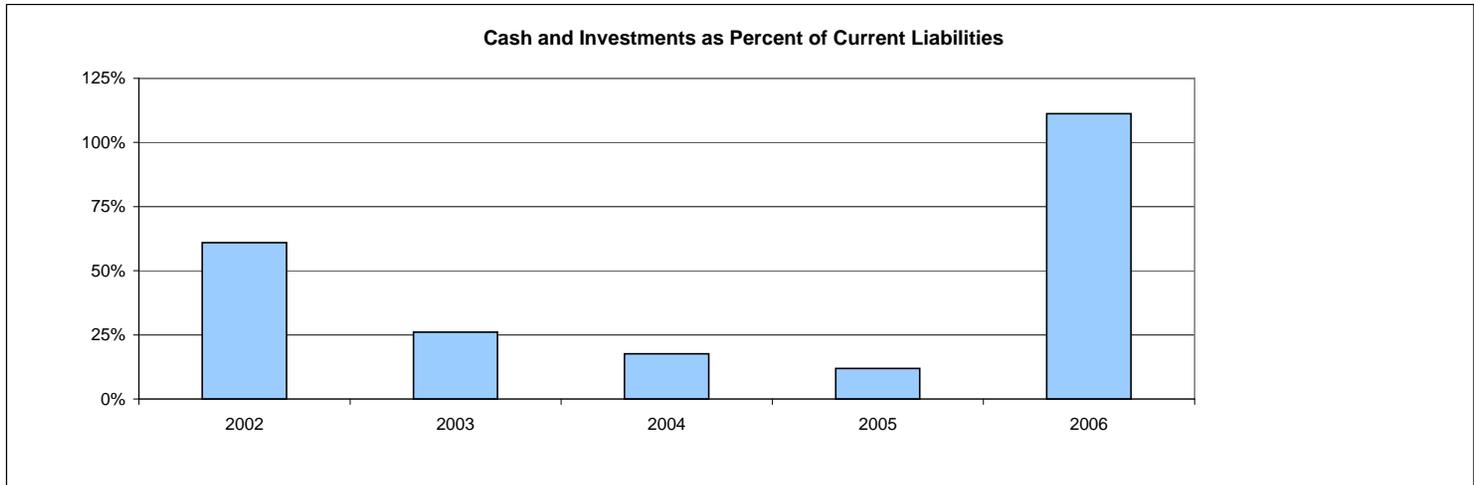
**Formula:**

$$\frac{\text{Year-End Cash and Investments}}{\text{Year-End Current Liabilities}}$$

**Trend:**

The trend has been downward  
With an increase in 2006

|  | <u>2002</u> | <u>2003</u> | <u>2004</u>  | <u>2005</u> | <u>2006</u> |
|--|-------------|-------------|--------------|-------------|-------------|
| Year-End Cash and Investments                          | \$ 365,946  | \$ 199,201  | \$ 196,696   | \$ 107,278  | \$ 692,304  |
| Year-End Current Liabilities                           | \$ 600,516  | \$ 764,103  | \$ 1,119,661 | \$ 901,713  | \$ 622,157  |
| Cash and Investments as Percent of Current Liabilities | 61%         | 26%         | 18%          | 12%         | 111%        |



**REVENUE SURPLUS ( SHORTFALL)**

**Exhibit 22**

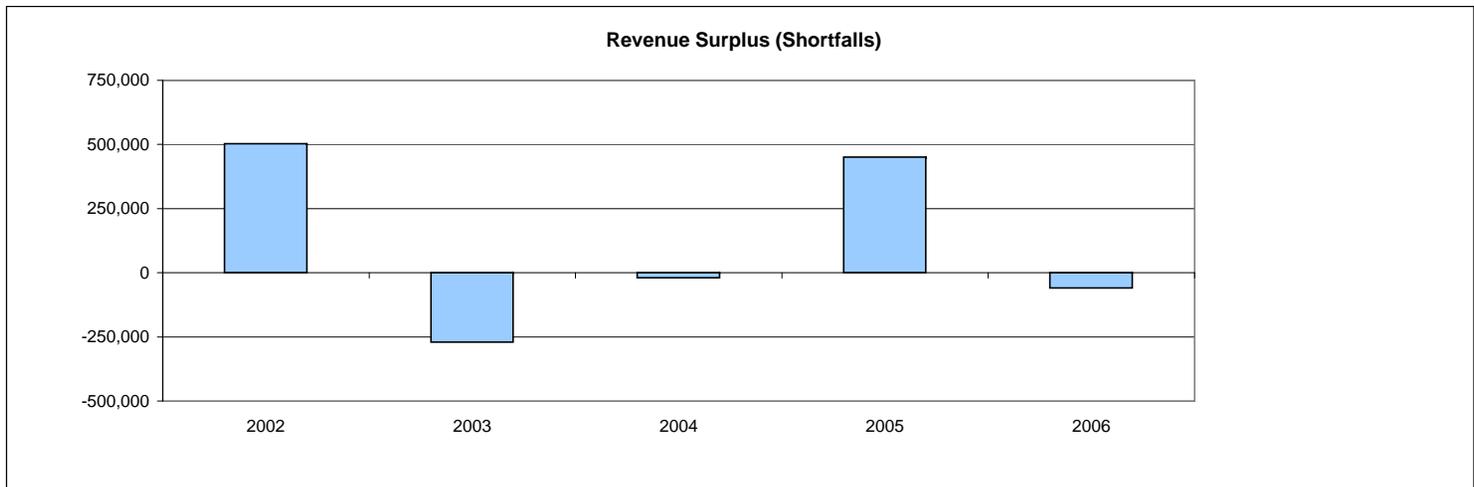
**Formula:**

**Actual Revenues less Budgeted Revenues**

**Trend:**

No trend  
Shortfalls in three years

|                             | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Actual Year-End Revenues    | \$ 5,965,481 | \$ 5,785,783 | \$ 6,325,910 | \$ 6,501,102 | \$ 6,710,887 |
| Budgeted Revenues           | \$ 5,462,352 | \$ 6,056,173 | \$ 6,346,106 | \$ 6,049,937 | \$ 6,769,980 |
| Revenue Surplus (Shortfall) | \$ 503,129   | \$ (270,390) | \$ (20,196)  | \$ 451,165   | \$ (59,093)  |



The Borough spent less than budgeted in two of the years, 2003 and 2006. In the three other years, actual expenditures exceeded budgeted expenditures. The over run in 2005 was significant. See Exhibit 23.

**EXPENDITURE OVER RUNS (SAVINGS)**

**Exhibit 23**

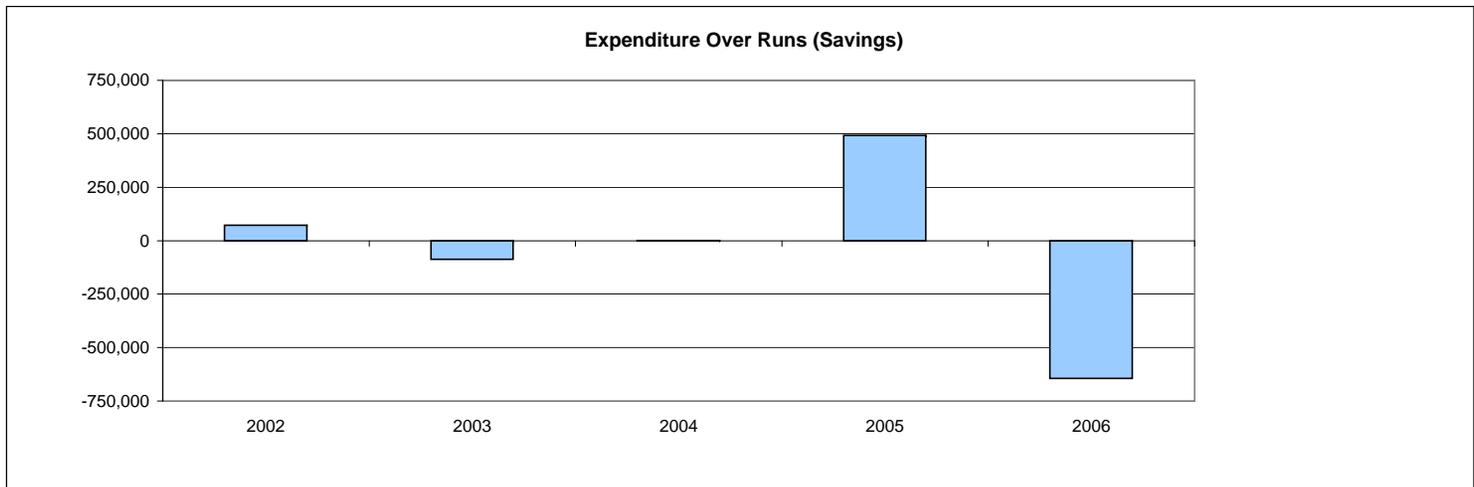
**Formula:**

**Budgeted Expenditures less Actual Expenditures**

**Trend:**

Actual expenditures have exceeded Budgeted expenditures in three years

|                                | <u>2002</u>  | <u>2003</u>  | <u>2004</u>  | <u>2005</u>  | <u>2006</u>  |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Budgeted Expenditures          | \$ 5,542,360 | \$ 6,056,173 | \$ 6,346,106 | \$ 6,049,937 | \$ 6,769,980 |
| Actual Expenditures            | \$ 5,615,020 | \$ 5,968,528 | \$ 6,346,502 | \$ 6,542,866 | \$ 6,126,286 |
| Expenditure Over Run (Savings) | \$ 72,660    | \$ (87,645)  | \$ 396       | \$ 492,929   | \$ (643,694) |



**Exhibit 24  
Adjusted Revenues and Expenditures**

|   | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2002-2006</b> | <b>Average<br/>Annual<br/>Percent<br/>Change</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--|
| <b>Total Revenues</b>                       | \$5,965,481 | \$5,785,783 | \$6,325,910 | \$6,501,102 | \$6,710,887 | \$6,709,190 | \$745,405        | 3.1%   |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Adjustments</b>                          |             |             |             |             |             |             |                  |  |
| Grants                                      | \$44,000    | \$26,000    | \$6,000     |             | \$48,358    |             | \$4,358          |  |
| Trail Grants - DCNR                         | 65,000      | -           | -           | -           | -           | -           | (65,000)         |  |
| Proceeds from DER Grant                     | -           | 6,443       | 7,900       | 48,085      | 11,600      | -           | 11,600           |  |
| Total Interfund Transfers                   | -           | 100,000     | 486,000     | 380,993     | 10,000      | 10,000      | 10,000           |  |
| <b>Total</b>                                | \$109,000   | \$132,443   | \$499,900   | \$429,078   | \$69,958    | \$10,000    | (\$39,042)       |  |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Core Revenue</b>                         | \$5,856,481 | \$5,653,340 | \$5,826,010 | \$6,072,025 | \$6,640,928 | \$6,699,190 | \$784,447        | 3.3%   |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Total Expenses</b>                       | \$5,615,020 | \$5,968,528 | \$6,346,502 | \$6,542,866 | \$6,126,286 | \$6,709,190 | \$511,266        | 2.3%   |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Adjustments</b>                          |             |             |             |             |             |             |                  |  |
| Transfers                                   | \$300,000   | \$505,000   | \$605,000   | \$350,000   | \$200,000   | \$177,000   | (\$100,000)      |  |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Core Expenses</b>                        | \$5,315,020 | \$5,463,528 | \$5,741,502 | \$6,192,866 | \$5,926,286 | \$6,532,190 | \$611,266        | 2.9%   |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Surplus (Deficit) before Adjustments</b> | \$350,461   | (\$182,745) | (\$20,592)  | (\$41,764)  | \$584,601   |             | \$234,140        |  |
|   | -           | -           | -           | -           | -           | -           | -                |  |
| <b>Surplus (Deficit) after Adjustments</b>  | \$541,461   | \$189,812   | \$84,508    | (\$120,841) | \$714,643   | \$167,000   | \$173,181        |  |

## **Revenue and Expenditure Forecast**

---

The baseline financial projection provides an estimate of where the Borough could be from 2007 to 2012 if no corrective actions are taken. The projection assumes that the current Borough operation will remain in place and that there will be no changes in tax rates and fees. These projections are not intended to provide the level of detail that could be used to construct a budget. These projections identify the gap that will need to be filled to match revenues and expenditures beginning in 2007.

The revenue forecast can be found in Appendix C; the Expenditure Forecast in Appendix D; and the Expenditure Forecast by department in Appendix E.

### **Findings**

A number of important findings emerge from the analysis of the 2007 through 2012 revenue and expenditure forecast.

**Finding 1** Tax revenues are unlikely to increase without rate increases.

**Finding 2** Ongoing revenues are unlikely to increase during the forecast period.

**Finding 3** Expenses are likely to increase at a rate of 2 percent per year.

**Finding 4** The greatest cost increases are likely to be in health care insurance, and wage and salary increases.

**Finding 5** The Borough faces substantial deficits that can only be resolved with a combination of rate increases, new revenues and cost controls. The structural deficit could exceed \$600,000 by 2012.

### **Forecast Assumptions**

---

For most revenues and expenditures, the 2007 budget is considered the base year and increases are calculated using the base year. This base year is used because it reflects the current levels of services and activity. It is assumed that these levels will be maintained in future years.

## **Revenues**

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The following assumptions are used to provide the baseline revenue projection:

### **Real Estate Taxes**

It is assumed that the 2007 real estate tax rate of 14 mills will remain in effect through 2012 and that the assessed valuations for taxation purposes will follow past trends and increase by 0.25 percent per year. The collection rate is assumed to remain at 95 percent of the original levy. The difference between the original levy and the current collections includes assessment appeals, abatements, exonerations, and delinquencies.

Delinquent tax collections are dependent, in part, on the number of delinquencies to be collected. Increases in current and delinquent collections in one year may result in a decline in delinquent collections in the following year. For this reason, it is projected that both prior year and delinquent collections will remain at the 2007 budgeted levels.

### **Real Estate Transfer Tax**

Revenues from this tax can jump with major sales. Past collections have fallen between \$86,769 and \$66,640. It is assumed that collections will remain at the 2007 budgeted level of \$80,000. There may be major sales in any given year that would increase collections.

### **Earned Income Tax**

Earned income tax revenues have fluctuated both up and down from year-to-year. It is assumed that they will remain at the 2007 budgeted level of \$680,000.

### **Emergency and Municipal Services Tax**

It is assumed that the number of jobs in Dormont will not change. For a number of years, the legislature has been considering legislation that would require this tax to be withheld from each pay and remitted to the municipality on a quarterly basis. It is assumed that this legislation will be passed and signed by the Governor in 2007. This will reduce collections in 2008 as municipalities will receive only three quarterly payments in the year the changes go into effect and seasonal employees will not pay the full amount. Collections in 2008 could be reduced to \$50,000. Collections will increase in the 2009 since municipalities will receive four quarterly payments in one year. It is assumed that collections will be \$66,500 a year beginning in 2009.

### **Licenses and Permits**

This revenue group includes the cable franchise fee. It is assumed that the revenues from this fee will increase by 5.0 percent per year as cable rates and usage increase. Proposed federal and state legislation that may limit local

franchise fee collections and the growth in non-cable providers of television access could reduce revenues in future years.

The group also includes the mechanical devices fee. It is assumed that this fee will follow past trends and remain at \$40,000 a year. The other fees in this revenue group have fluctuated from year-to-year. It is assumed that they will remain at the 2007 budgeted levels.

### **Fines and Forfeits**

These revenues have fluctuated from year-to-year. It is assumed that they will remain at the 2007 budgeted level.

### **Interest Earnings**

Interest earnings are dependent on interest rates and the amount of cash available for investment. Interest rates have been increasing. After the property tax rate increase, the Borough had more cash available for investment. It is assumed that interest earnings will remain at the 2007 budgeted level of \$70,000. The use of fund balances as revenues, however, could reduce interest earnings.

### **Rentals**

Rentals, particularly building rentals, have been increasing. It is conservatively assumed that building rentals will increase at a rate of 3.0 percent per year and that the other rentals will remain at the 2007 budgeted level. Increases in rental rates and the number of tenants could increase rental revenues.

### **Intergovernmental Grants**

Intergovernmental grants have fluctuated from year to year. For 2007, the Borough has budgeted only one grant, \$3,300 for snow removal. The Borough has applied for additional grants, including the grant for this Early Intervention Program project. These grants are for specific projects that will not be undertaken unless the grant is received. It is assumed that the Borough will not receive grants during the forecast period. Any grant that is received will be matched with an increase in expenditures.

### **State Shared Revenues**

The Borough receives a portion of some revenues that are collected by the State. These revenues include the public utility realty tax (PURTA), a portion of the tax on insurance premiums that is used to assist volunteer fire companies and provide pension aid, and Allegheny County's local option sales tax, usually referred to as the RAD sales tax. It is assumed that the Borough's share of the sales tax will increase by 2.5 percent per year as sales within the county increase. It is assumed that the other shared revenues will remain at 2007 budgeted levels.

The state pension aid could increase depending on a number of factors including increases in the Borough's obligations to the pension plans. Because the pension aid is distributed from a pool of funds for all municipalities and volunteer fire companies, changes in the funding status of other plans could increase or decrease the Borough's pension aid.

### **Departmental Earnings**

The Borough received significant fee income for the services that it provides to residents and visitors. These fees include tenant registration, parking, solid waste, building permit and recreation fees. The swimming pool fees were accounted for in a separate pool fund in 2003 and 2004. Since then, they have been accounted for in the general fund.

These earnings have fluctuated from year to year. In 2002, total departmental earnings were \$1,058,784. For 2007, they have been budgeted at \$989,730. The major increase was in 2003 with an increase in the solid waste fee charged by the Borough. The trend, however, has been slightly downward. Earnings are projected to remain at the budgeted 2007 levels.

### **School Crossing Guards**

The Borough is reimbursed for half of the school crossing guard expenses by the school district. It is assumed that the reimbursement will remain at the 2007 budgeted level. Any increase in the reimbursement would be the result of a greater increase in the crossing guard expense.

### **Miscellaneous Revenues**

The Borough revenues some refunds, judgments and damages, and funds from the fire damage escrow account. These revenues have fluctuated from year-to-year, but the general trend is downward. It is assumed that the revenues will remain at the 2007 budgeted levels.

### **Sale of Fixed Assets**

From time to time, the Borough has sold assets. The Borough currently has some lots for sale and has budgeted \$100,000 in revenues from the sale. Based on past trends, it is assumed that future annual sales will be \$1,000.

### **Interfund Transfers**

There transfers have been used to provide cash for on-going operations and to reimburse the general fund for expenses. In 2007, only one transfer has been budgeted, that of \$10,000 from the sewer fund. It is assumed that this transfer will continue to be made after 2007.

### **Refunds of Prior Year Expenditures**

In recent years, these refunds have increased to the 2007 budgeted amount of \$46,000 a year. It is assumed that the will remain at this level.

## **Expenditures**

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The expenditure projections are based on a number of general assumptions.

- It is assumed that the Borough will not increase discretionary spending above 2007 budgeted levels. Discretionary increases include dues and subscriptions, meetings and conferences, contributions to others, and equipment purchases.
- There are other expenditures that the Borough may not be able to limit due to contractual obligations to employees for wages and salaries and health benefits.
- The Borough also needs materials and supplies, including utilities and vehicle fuels, which are subject to cost increases.

The following assumptions for specific expenditures are used to provide the baseline expenditure projections.

### **Wages and Salaries**

It is assumed that the wages and salaries of elected officials will remain at the budgeted 2007 level. It is assumed that the salaries of appointed officials will increase by 2.25 percent per year and that the wages of the remaining employees will follow the terms of existing contracts during and after the terms of the existing contracts. It is assumed that the budgeted staffing levels will not change.

### **Benefits**

It is assumed that health insurance costs will increase at a rate of 8 percent per year. It is assumed that the Borough's police pension costs will increase at a rate of 13.0 percent per year and the non-uniformed pension costs will remain at the 2007 budgeted level. FICA will increase 3 percent per year as wages and salaries increase. All other costs will remain at the budgeted 2007 levels. The overall average annual increase in benefit costs will be approximately 9 percent per year.

### **Materials and Supplies**

It is assumed that insurance and telephone costs will increase at a rate of 5.0 percent per year and that energy costs will increase at a rate of 2.5 percent per year. It is assumed that the cost of most supplies will increase at the projected rate of inflation, 2.3 percent in 2008 and 2.2 percent in the following years. (Congressional Budget Office, *Budget and Economic Outlook*, January 2007). It is assumed that the cost of vehicle fuel will increase by 2.5 percent each year. These same assumptions are used for all energy costs. (US Department of Energy, Energy Information Administration, *Annual Energy Outlook*, February 2007, and *Short Term Energy Outlook*, May 2007.)

The Energy Information Administration outlook does not foresee increases in overall energy costs over the 2007 levels. The EIA 2008 forecast anticipates a slight decrease in vehicle fuel costs off-set by increases in natural gas and electricity prices. Because energy costs have been volatile in the past due to hurricanes and other weather extremes, disruptions in production and transmission, and government policy changes, natural gas, electricity and vehicle fuel costs are projected to increase at a rate of 2.5 percent per year. Electric costs could be problematic as the rate caps established as part of Pennsylvania's deregulation of electric utilities expire in 2009 and 2010.

### **Charges and Fees**

The professional fees in this group include the annual audit, legal fees, engineering and other consultants. It is assumed that professional fees will include \$15,000 in 2007 and again in 2008 for pool feasibility studies. The remaining professional fees will increase at the general rate of inflation. It is assumed that insurance and telephone costs will increase at a rate of 5.0 percent per year, that energy costs will increase at a rate of 2.5 percent per year, and that advertising, printing and binding will remain at the 2007 budgeted levels. It is assumed that the other charges and fees will increase at the general rate of inflation - 2.3 percent in 2008 and 2.2 percent in the following years.

### **Other Charges**

The major components in other charges are judgments and damages, meetings and conferences, and other contract services. Other contract service includes animal control, dispatch services, snow removal and some cleaning services. The contract services are expected to increase at the general rate of inflation, 2.3 percent in 2008 and 2.2 percent in the following years. It is assumed that the other charges will remain at 2007 budgeted levels.

### **Contributions to Others**

It is assumed that contributions, including the grant to the library, will remain at 2007 budgeted levels.

### **Capital Purchases**

The Borough leases and purchases major equipment, primarily police and fire equipment. In 2008, these capital expenses increased from less than \$100,000 to a budgeted \$152,500. It is assumed that these expenses will remain at 2007 budgeted levels.

### **Debt Service**

The debt service projections are based on present obligations without any new debt.

## **Expenditures by Department**

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### **Council**

Council expenses are projected to remain at 2007 budgeted levels.

### **Administration**

Administration expenses are projected to increase at an average rate of slightly over 2.1 percent per year. The increases are due to annual 2.25 percent wage and salary increases, general inflationary increases in the cost of materials and supplies, annual 3.0 percent increases in postage and annual 5.0 percent increases in telephone expenses.

### **Finance**

Finance includes auditing services that are projected to increase at the general rate of inflation.

### **Tax Collection**

Tax collection costs are projected to increase at an average rate 0.33 percent per year due to general inflationary increases in the cost of materials and supplies.

### **Legal Services**

Legal services are projected to increase at an average rate of 0.6 percent per year due to general inflationary increases in the cost of materials and supplies. The solicitor's retainer and hourly fees have been held at 2007 budgeted levels.

### **Data Processing**

Data processing is projected to increase at an average rate of 0.4 percent per year due to general inflationary increases in the cost of materials, supplies and repairs. It is assumed that equipment purchases will remain at 2007 budgeted levels.

### **Engineering**

Engineering costs are projected to decrease after the pool feasibility study has been completed. New projects, however, could increase these costs.

### **Government Building**

The cost of operations is projected to increase at an average rate of 2.3 percent per year due to inflationary increases in the cost of materials and supplies and 2.5 percent increases in utility expenses.

### **Police**

Police costs are projected to increase at an average rate of 3.3 percent per year due to wage and salary increases, general inflationary increases in the cost of materials and supplies, and increase in the cost of fuel.

### **Fire**

The cost of fire protection is projected to increase at an average rate of 2.6 percent per year due to wage and salary increases, general inflationary increases in the cost of materials and supplies, and increase in the cost of fuel.

### **UCC and Code Enforcement**

Enforcement costs are projected to increase at an average rate of 3.3 percent per year due to wage and salary increases, and general inflationary increases in the cost of materials and supplies.

### **Planning and Zoning**

For 2007, the Borough has budgeted \$15,000 as a grant match and \$5,000 for a consultant in planning and zoning. It is assumed that these costs will not be incurred in future years. It is assumed that the contribution to the council of governments will increase at an average rate of 10 percent per year following past trends and the RAD contribution will increase at a rate of 2.5 percent per year matching the increase in the sales tax revenues coming to the Borough. The overall effect of these assumptions on the projections is a projected decrease from \$33,200 in 2007 to \$12,030 in 2008 followed by a slow increase to \$18,100 in 2012.

### **Solid Waste**

These costs are projected to increase at an average rate of 2.3 percent per year. The projection is based on the assumptions that contract disposal costs will increase by 2.5 percent per year, that there will be general inflationary increases in the cost of materials and supplies, and that equipment purchases will be held at 2007 budgeted levels.

### **Public Works**

Public works expenditures are projected to increase at an average rate of 2.3 percent per year due to wage and salary increases, and inflationary increases in the cost of materials and supplies.

### **Parking**

Parking costs are projected to increase at an average rate of 2.2 percent per year due to wage and salary increases, and inflationary increases in the cost of materials and supplies.

### **Swimming Pool**

Costs at the swimming pool are projected to increase at an average rate of 0.8 percent per year due to general inflationary increases in the cost of materials and supplies and 2.5 percent increases in utility costs. It is assumed that wages and capital purchases will remain at 2007 budgeted levels.

Improvements at the pool and changes in the way the pool operates would have an impact on future costs. Until the nature of these changes is known, it is not possible to predict the impact of the changes on costs.

### **Recreation**

Recreation costs are projected to increase at an average rate of 1.3 percent per year due to salary increases and general inflationary increases in the cost of materials and supplies. It is assumed that the other costs including seasonal staff costs will remain at 2007 budgeted levels.

### **Parks and Playgrounds**

These costs are projected to increase at an average rate of 1.6 percent per year due to salary increases and general inflationary increases in the cost of materials and supplies. It is assumed that the other costs will remain at 2007 budgeted levels.

### **Other Culture and Recreation**

It is assumed that the contribution to the library will remain at the 2007 budgeted level and that there will be some increases in other costs due to general inflationary increases in the costs of materials and supplies.

## Outlook

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The Borough's on-going revenues are projected to increase at an average rate of 0.1 percent per year. A few of the revenues are projected to increase. These include the property tax due to small increases in assessments, the cable franchise fee due to increases in cable rates, rentals, and the RAD sales tax due to increases in retail sales in Allegheny County. Other revenues are projected to remain at 2007 budgeted levels.

Past revenue increases have been due to increases in rates and the imposition of the new tax, the emergency and municipal services tax. Possible legislative changes in the collection procedures for the emergency and municipal services tax could reduce revenues from this source. This reduction has been factored into the projections.

At the same time, expenditures will increase at an average rate of about 2.0 percent per year. The major components in the increase are increases in health insurance costs, wages and salaries, insurance costs, energy costs, and general inflationary increases in materials and supplies.

The Borough faces a continuing and growing deficit situation. The deficit in on-going revenues and expenditures is projected to increase from \$41,000 in 2007 to \$689,000 in 2012. See Exhibit 25.

The deficit projections are based on the assumption that the Borough will not raise tax rates and fees, and that the Borough's operations will not change. Every year, however, as Council puts together the next year's budget, Council will have to make changes in the way that the Borough operates to bring these budgets into balance. As the Borough continues to manage revenues and expenditures as it has in the past, the projected deficits would be smaller.

**Exhibit 25**  
**Adjusted Revenues and Expenditures**  
**2007-2012**

|   | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | Average Annual Increase 2007 to 2012 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------------|
| <b>Total Revenues</b>                       | \$6,709,190 | \$6,611,952 | \$6,656,147 | \$6,684,497 | \$6,713,524 | \$6,743,255 | 0.10%                                |
|   | -           | -           | -           | -           | -           | -           | -                                    |
| <b>Adjustments</b>                          |             |             |             |             |             |             |                                      |
| Grants                                      |             |             |             |             |             |             |                                      |
| Trail Grants - DCNR                         | -           | -           | -           | -           | -           | -           |                                      |
| Proceeds from DER Grant                     | -           | -           | -           | -           | -           | -           |                                      |
| Total Interfund Transfers                   | 10,000      | -           | -           | -           | -           | -           |                                      |
| <b>Total</b>                                | \$10,000    |             |             |             |             |             |                                      |
|   | -           | -           | -           | -           | -           | -           |                                      |
| <b>Core Revenue</b>                         | \$6,699,190 | \$6,611,952 | \$6,656,147 | \$6,684,497 | \$6,713,524 | \$6,743,255 | 0.13%                                |
| <b>Total Expenses</b>                       | \$6,786,668 | \$6,645,266 | \$6,813,821 | \$7,018,170 | \$7,230,641 | \$7,431,921 | 1.90%                                |
|   | -           | -           | -           | -           | -           | -           |                                      |
| <b>Adjustments</b>                          |             |             |             |             |             |             |                                      |
| Transfers                                   | 46,000      | -           | -           | -           | -           | -           |                                      |
|   | -           | -           | -           | -           | -           | -           |                                      |
| <b>Core Expenses</b>                        | \$6,740,668 | \$6,645,266 | \$6,813,821 | \$7,018,170 | \$7,230,641 | \$7,431,921 | 2.05%                                |
|   | -           | -           | -           | -           | -           | -           |                                      |
| <b>Surplus (Deficit) before Adjustments</b> | (\$77,478)  | (\$33,314)  | (\$157,674) | (\$333,674) | (\$517,117) | (\$688,667) |                                      |
|   | -           | -           | -           | -           | -           | -           |                                      |
| <b>Surplus (Deficit) after Adjustments</b>  | (\$41,478)  | (\$33,314)  | (\$157,674) | (\$333,674) | (\$517,117) | (\$688,667) |                                      |

## **Short-Term Recommendations**

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There are a number of actions that the Borough can take in 2007 that will have a lasting impact. These actions target areas where costs are increasing and the Borough may be able to have an immediate effect in 2007 and 2008. Some of these recommendations have already been considered by the Borough.

### **Standard practices**

There are a number of standard practices that any local government can follow to increase revenues and control costs. These include:

- Evaluate any vacant position before it is filled. There may be effective alternatives to hiring a new full-time employee. These alternatives include use of part-time and seasonal employees; reassignment of duties to existing employees; use of staff shared with other municipalities, and use of outside service providers.
- Delay filling vacant positions unless the position is essential.
- Monitor use of overtime and sick time.
- Monitor the use of energy.
- Limit discretionary spending, including travel.
- Be aggressive with current delinquent tax and fee collections.

### **Maintaining the tax base**

The Borough and the school district monitor assessment appeals. Because the school district millage is higher, the school district usually handles appeals. The Borough solicitor attends high-value commercial appeals. The Borough and the school district should continue this practice.

With the prospect of a potential reassessment in 2008, the Borough and the school district should actively monitor the reassessment process and results.

Central Tax audits local employers to make sure that resident earned income taxes are being withheld and that all employees are paying the emergency and municipal services tax. The Borough should continue this practice as well.

The Borough should also pursue payments in lieu of taxes from tax-exempt organizations.

### **Municipal insurance and risk management**

Insurance costs are increasing. The Borough should review its risk management practices. The risk management process applies the scientific problem-solving model to protecting assets:

- Identifying assets subject to potential loss.
- Analyzing risk exposures.

- Examining alternative techniques for dealing with the exposure.
- Selecting the most promising technique.
- Implementing the selected technique.
- Monitoring the results to see if the exposure has been dealt with effectively.

The Borough meets with the agent annually to resubmit insurance applications. The Borough should reconsider this practice. Working with one carrier over a number of years can also provide opportunities for reducing risk and the cost of insurance. A useful resource is the Department of Community and Economic Development's *Risk Manager's Insurance Guide* which is available on the department's website. A safety audit and safety program should be undertaken for all Borough employees.

### **Health insurance costs**

Health insurance costs are expected to increase at a rate of eight percent per year in the near term. The Borough should actively seek quotations from a number of providers on an annual basis to keep these costs down. The recently negotiated labor contracts allow the Borough to change carriers.

### **Energy costs**

Energy costs are increasing. Fortunately, the outlook is for smaller increase in the future than in the past. An energy audit could assist the Borough in finding ways to lower energy consumption and, therefore, costs. The Pennsylvania Department of Environmental Protections can provide some assistance with this through its Local Government and Municipal Energy Assistance Program.

The Borough should evaluate every potential equipment purchase for energy efficiency. For example, if a vehicle has to be replaced, the Borough should consider how the vehicle is to be used and if a smaller, more energy efficient, vehicle would meet the Borough's needs.

### **Fee and permit income**

There are some revenues that the Borough may be able to manage. These include fees, parking fines and other revenues that are generated through interaction with the Borough. Most of these revenues, unfortunately, have been decreasing. The exceptions are fines for parking violations, some rental income, and solid waste disposal income. The Borough approved new fees at the beginning of 2007. Hopefully, these revenues should increase as a result of higher fees.

On an annual basis, the Borough should review and revise the fees schedules so that the fees cover the cost of the activities associated with the fees. The costs that are considered in setting fees should include the Borough's indirect, overhead costs. The current fees may not meet these criteria. For example, the

zoning hearing board fee of \$250 does not cover the Borough's direct costs for the court reporter, the solicitor and advertising.

Once the fees have been properly set, they should be increased each year to keep up with inflation. In some instances, properly set fees may seem high but if the users of the services do not pay the full cost, the taxpayers make up the difference.

### **Debt**

The Borough's debt load is high. In 2006, debt service was over 15 percent of total expenditures. In 2007, it is budgeted to be over 13 percent of total expenditures. It is considered prudent fiscal practice to keep debt service below 10 percent of total expenditures. The Borough should avoid taking on more debt.

## **Appendix A—Dormont Revenue Trends**



**Borough of Dormont  
Revenues Trends 2002 to 20007**

|                                   | 2002        | 2003        | 2004        | 2005        | 2006        | 2007        | 2002-2006  | Average<br>Annual<br>Percent<br>Change | 2006 as<br>percent<br>of total |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|--|--------------------------------|
| Real Estate General Operations    | \$1,750,078 | \$1,711,994 | \$1,721,306 | \$1,704,819 | \$1,959,781 | \$2,131,200 | \$209,703  | 3.0%                                   | 29.2%                          |
| Real Estate Debt Service          | 887,719     | 868,799     | 874,245     | 865,650     | 1,078,332   | 894,800     | 190,613    | 5.4%                                   | 16.1%                          |
| Real Estate Library               | 88,772      | 86,880      | 87,608      | 86,730      | 73,858      | 76,150      | (14,914)   | -4.2%                                  | 1.1%                           |
| Fire Department                   | 114,135     | 111,647     | 112,382     | 111,057     | 334,825     | 440,300     | 220,689    | 48.3%                                  | 5.0%                           |
| Street Lighting                   | 101,454     | 99,348      | 99,751      | 97,817      | -           | -           | (101,454)  |  |                                |
| Current Real Estate               | 2,942,158   | 2,878,668   | 2,895,291   | 2,866,072   | 3,446,796   | 3,542,450   | 504,638    | 4.3%                                   | 51.4%                          |
| Real Estate Delinquent            | 130,143     | 129,386     | 178,925     | 134,249     | 159,833     | 130,000     | 29,690     | 5.7%                                   | 2.4%                           |
| Real Estate Liened Taxes          | 7,441       | 17,376      | 14,738      | 7,956       | 25,626      | 15,000      | 18,186     | 61.1%                                  | 0.4%                           |
| Delinquent and Liened Real Estate | 137,583     | 146,761     | 193,663     | 142,206     | 185,459     | 145,000     | 47,876     | 8.7%                                   | 2.8%                           |
| Total Real Estate Taxes           | \$3,079,741 | \$3,025,429 | \$3,119,181 | \$3,033,998 | \$3,654,758 | \$3,687,450 | \$575,017  | 4.7%                                   | 54.5%                          |
| Real Estate Transfer Tax          | \$86,769    | \$66,640    | \$93,772    | \$92,329    | \$74,820    | \$80,000    | (\$11,949) | -3.4%                                  | 1.1%                           |
| Earned Income Tax Current         | \$451,538   | \$432,072   | \$696,336   | \$647,905   | \$639,061   | \$680,000   | \$187,522  | 10.4%                                  | 9.5%                           |
| Earned Income Tax Prior Year      | 161,856     | 201,050     | 7,853       | -           | -           | -           | (161,856)  |  |                                |
| Earned Income Tax Delinquent      | 35,152      | -           | -           | -           | -           | -           | (35,152)   |  |                                |
| Total Earned Income Tax           | 648,546     | 633,122     | 704,189     | 647,905     | 639,061     | 680,000     | (9,486)    | -0.4%                                  | 9.5%                           |
| OP/EMST Current Year              | 5,922       | 4,057       | 6,232       | 66,990      | 77,486      | 67,000      | 71,564     | 302.1%                                 | 1.2%                           |
| Total Act 511 Taxes               | \$741,237   | \$703,818   | \$804,193   | \$807,225   | \$791,367   | \$827,000   | \$50,130   | 1.7%                                   | 11.8%                          |
| Total Taxes                       | \$3,820,978 | \$3,729,247 | \$3,923,374 | \$3,841,223 | \$4,446,125 | \$4,514,450 | \$309,216  | 2.0%                                   | 66.3%                          |
| Vendors                           | \$1,245     | \$950       | \$725       | \$85        | \$200       | \$300       | (\$1,045)  | -21.0%                                 | 0.0%                           |
| Amusements                        | 41,825      | 33,818      | 46,691      | 37,480      | 38,315      | 45,000      | (3,510)    | -2.1%                                  | 0.6%                           |
| Alarm Device Permits              | 1,150       | 2,025       | 1,875       | 3,350       | 950         | 600         | (200)      | -4.3%                                  | 0.0%                           |
| Cable TV Franchise                | 169,329     | 92,596      | 95,468      | 100,063     | 103,803     | 100,000     | (65,526)   | -9.7%                                  | 1.5%                           |
| Liquor License                    | 3,000       | -           | 2,400       | 2,600       | 2,800       | 2,800       | (200)      | -1.7%                                  | 0.0%                           |
| Bus Shelter                       | -           | -           | -           | 8,000       | -           | -           | -          |  |                                |
| Total License and Permits         | \$216,549   | \$129,389   | \$147,159   | \$151,578   | \$146,068   | \$148,700   | (\$70,481) | -8.1%                                  | 2.2%                           |
| Parking Violations                | \$49,598    | \$82,778    | \$41,770    | \$37,405    | \$64,050    | \$50,000    | \$14,452   | 7.3%                                   | 1.0%                           |
| Magistrate Fines                  | 24,329      | 44,499      | 40,881      | 26,236      | 22,748      | 25,000      | (1,581)    | -1.6%                                  | 0.3%                           |
| County Fines DUI                  | 3,693       | 4,746       | 2,686       | 5,778       | 3,417       | 4,000       | (276)      | -1.9%                                  | 0.1%                           |
| County Dog Fines                  | 40          | 30          | 50          | 20          | 20          | 50          | (20)       | -12.5%                                 | 0.0%                           |
| Commonwealth Police Fines         | 6,553       | 2,427       | 3,659       | 6,067       | 6,820       | 4,000       | 268        | 1.0%                                   | 0.1%                           |
| Total Fines and Penalties         | \$84,213    | \$134,480   | \$89,045    | \$75,506    | \$97,056    | \$83,050    | \$12,843   | 3.8%                                   | 1.4%                           |
| Interest Earnings                 | \$19,892    | \$14,891    | \$19,495    | \$44,251    | \$93,643    | \$70,000    | \$73,750   | 92.7%                                  | 1.4%                           |
| Total Interest Earnings           | \$19,892    | \$14,891    | \$19,495    | \$44,251    | \$93,643    | \$70,000    | \$73,750   | 92.7%                                  | 1.4%                           |
| Rentals - Park Pavilion           | \$3,830     | \$8,220     | \$3,387     | \$2,985     | \$3,485     | \$3,300     | (\$345)    | -2.3%                                  | 0.1%                           |
| Rentals - Recreation Center       | 14,075      | 10,425      | 8,125       | 9,035       | 11,175      | 10,000      | (2,900)    | -5.2%                                  | 0.2%                           |

**Borough of Dormont  
Revenues Trends 2002 to 20007**

|                                      | 2002             | 2003             | 2004             | 2005             | 2006             | 2007             | 2002-2006         | Average Annual Percent Change | 2006 as percent of total |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------------------|--------------------------|
| Community Center                     | 2,352            | 1,030            | 1,670            | 1,125            | 1,255            | 1,000            | (1,097)           | -11.7%                        | 0.0%                     |
| Gym Rental                           | 7,799            | 7,852            | 9,648            | 6,990            | 2,288            | 2,000            | (5,512)           | -17.7%                        | 0.0%                     |
| Building Rental                      | 156,267          | 160,854          | 130,249          | 171,296          | 110,867          | 104,580          | (45,400)          | -7.3%                         | 1.7%                     |
| Life Span Building Rental            |                  |                  |                  |                  | 53,630           | 53,630           | 53,630            |                               | 0.8%                     |
| Other Building Rental                |                  |                  |                  |                  | 30,461           | 42,000           | 30,461            |                               | 0.5%                     |
| Street Sweeper Rental                |                  |                  |                  |                  | 2,000            | 7,500            | 2,000             |                               | 0.0%                     |
| <b>Total Rentals</b>                 | <b>\$184,323</b> | <b>\$188,381</b> | <b>\$153,078</b> | <b>\$191,431</b> | <b>\$215,160</b> | <b>\$224,010</b> | <b>\$30,837</b>   | <b>4.2%</b>                   | <b>3.2%</b>              |
| PA DOT Snow Removal                  |                  |                  | \$3,307          | \$7,076          |                  |                  |                   |                               |                          |
| FEMA Snow Removal                    | 3,262            | 1,098            | 120              | -                | -                | 3,300            | (3,262)           |                               |                          |
| Grants                               | 44,000           | 26,000           | 6,000            | -                | 48,358           |                  | 4,358             | 2.5%                          | 0.7%                     |
| Trail Grants - DCNR                  | 65,000           |                  |                  | -                |                  |                  | (65,000)          |                               |                          |
| <b>Total Intergovernmental State</b> | <b>\$112,262</b> | <b>\$27,098</b>  | <b>\$9,426</b>   | <b>\$7,076</b>   | <b>\$48,358</b>  | <b>\$3,300</b>   | <b>(\$63,903)</b> | <b>-14.2%</b>                 | <b>0.7%</b>              |
| PURTA                                | \$5,080          | \$7,211          | \$5,385          | \$7,005          | \$6,278          | \$5,000          | \$1,198           | 5.9%                          | 0.1%                     |
| Ad hoc Pension Reimbursement         |                  | -                | -                | -                | 1,200            | 1,200            | 1,200             |                               | 0.0%                     |
| Aid to Pension Funds                 |                  | -                | 142,656          | 140,485          | 145,161          | 141,000          | 145,161           |                               | 2.2%                     |
| PA DOT Snow                          |                  | 6,260            |                  |                  | 3,906            |                  | 3,906             |                               | 0.1%                     |
| RAD Sales Tax                        | 277,253          | 274,226          | 277,197          | 300,561          | 338,217          | 288,000          | 60,964            | 5.5%                          | 5.0%                     |
| <b>Total Shared Revenue - State</b>  | <b>\$282,333</b> | <b>\$287,697</b> | <b>\$425,238</b> | <b>\$448,051</b> | <b>\$494,763</b> | <b>\$435,200</b> | <b>\$212,429</b>  | <b>18.8%</b>                  | <b>7.4%</b>              |
| Hearing Fees                         | \$5,055          | \$5,225          | \$3,775          | \$2,725          | \$3,625          | \$5,000          | (\$1,430)         | -7.1%                         | 0.1%                     |
| Dye Testing Fees                     | 4,985            | 4,220            | 4,735            | 4,460            | 3,935            | 4,400            | (1,050)           | -5.3%                         | 0.1%                     |
| Miscellaneous Fees                   | 11,072           | 10,872           | 11,929           | 8,396            | 7,407            | 8,000            | (3,665)           | -8.3%                         | 0.1%                     |
| Tenant Registration Fees             | 9,405            | 10,520           | 10,850           | 11,120           | 10,795           | 11,000           | 1,390             | 3.7%                          | 0.2%                     |
| <b>Total General Government</b>      | <b>\$30,517</b>  | <b>\$30,837</b>  | <b>\$31,289</b>  | <b>\$26,701</b>  | <b>\$25,762</b>  | <b>\$28,400</b>  | <b>(\$4,755)</b>  | <b>-3.9%</b>                  | <b>0.4%</b>              |
| Special Police Services              | \$2,360          | \$23,407         | \$4,780          | \$6,149          | \$1,726          | \$2,000          | (\$634)           | -6.7%                         | 0.0%                     |
| Accident Reports                     | 1,999            | 2,061            | 1,948            | 1,856            | 1,804            | 1,900            | (195)             | -2.4%                         | 0.0%                     |
| Reimbursed Wages Heart and Lung      | 39,317           | 35,878           | 39,513           | 80,168           | 73,198           | 45,000           | 33,881            | 21.5%                         | 1.1%                     |
| Donations/Dare                       | 17,334           | 8,191            | 1,025            | 4,848            | 2,277            | 2,000            | (15,057)          | -21.7%                        | 0.0%                     |
| Civil Service Test Fees              | 2,600            | 175              |                  | -                |                  |                  | (2,600)           |                               |                          |
| Prisoner Lock Up Charges             |                  |                  |                  |                  | 4,200            | 5,000            | 4,200             |                               | 0.1%                     |
| Building Permits                     | 18,748           | 18,430           | 16,682           | 70,797           | 15,925           | 16,000           | (2,822)           | -3.8%                         | 0.2%                     |
| Occupancy Permits                    | 4,425            | 3,950            | 4,500            | 3,675            | 3,450            | 3,750            | (975)             | -5.5%                         | 0.1%                     |
| State Permit Fee                     |                  |                  |                  | 76               | 456              | 430              | 456               |                               | 0.0%                     |
| Street Opening                       |                  |                  |                  |                  | 4,683            | 3,500            | 4,683             |                               | 0.1%                     |
| <b>Total Special Police Services</b> | <b>\$86,782</b>  | <b>\$92,091</b>  | <b>\$68,448</b>  | <b>\$167,569</b> | <b>\$107,719</b> | <b>\$79,580</b>  | <b>\$20,937</b>   | <b>6.0%</b>                   | <b>1.6%</b>              |
| Espy Lot                             | \$4,587          | \$3,705          | \$4,384          | \$4,060          | \$4,611          | \$4,000          | \$24              | 0.1%                          | 0.1%                     |
| Meters - Gilmore Lot                 | 10,031           | 9,523            | 8,998            | 7,323            | 8,464            | 7,500            | (1,567)           | -3.9%                         | 0.1%                     |
| Meters - Illinois Lot                | 8,800            | 8,123            | 6,831            | 5,691            | 5,254            | 6,000            | (3,547)           | -10.1%                        | 0.1%                     |
| Meters - Junction Lot                | 27,632           | 24,080           | 20,184           | 17,649           | 16,156           | 16,000           | (11,476)          | -10.4%                        | 0.2%                     |
| Meters - Vet Lot                     | 4,208            | 4,050            | 3,835            | 3,397            | 3,291            | 3,700            | (917)             | -5.4%                         | 0.0%                     |

**Borough of Dormont  
Revenues Trends 2002 to 20007**

|                                     | 2002               | 2003               | 2004             | 2005               | 2006               | 2007             | 2002-2006         | Average<br>Annual<br>Percent<br>Change | 2006 as<br>percent<br>of total |
|-------------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|-------------------|--|--------------------------------|
| Meters - Village Boro Lot           | 6,753              | 6,906              | 5,447            | 4,570              | 4,741              | 5,000            | (2,013)           | -7.5%                                  | 0.1%                           |
| Meters - Village Prud Lot           | 10,914             | 12,343             | 10,666           | 11,196             | 10,878             | 11,000           | (36)              | -0.1%                                  | 0.2%                           |
| Parking Meters - General            | 121,933            | 116,237            | 113,322          | 102,333            | 97,210             | 102,000          | (24,723)          | -5.1%                                  | 1.4%                           |
| Parking Permits - Business          | 41,008             | 55,955             | 54,897           | 63,376             | 63,916             | 53,000           | 22,909            | 14.0%                                  | 1.0%                           |
| Parking Permits - Residential       | 18,945             | 18,175             | 19,415           | 5,740              | 18,898             | 5,000            | (48)              | -0.1%                                  | 0.3%                           |
| Meter Violations                    | 87,040             | 88,701             | 92,274           | 82,899             | 72,471             | 85,000           | (14,569)          | -4.2%                                  | 1.1%                           |
| Lot Rental - Park Blvd              | 7,260              | 7,545              | 7,200            | 7,200              | 6,600              | 7,000            | (660)             | -2.3%                                  | 0.1%                           |
| Telephone Commissions               | 345                | 100                | 34               | 35                 |                    |                  | (345)             | -25.0%                                 |                                |
| Boot Fees                           | 3,605              | 5,150              | 5,150            | 9,900              | 4,800              | 5,000            | 1,195             | 8.3%                                   | 0.1%                           |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| <b>Total Parking Meters</b>         | <b>\$357,988</b>   | <b>\$363,469</b>   | <b>\$355,676</b> | <b>\$329,227</b>   | <b>\$317,288</b>   | <b>\$310,200</b> | <b>(\$40,700)</b> | <b>-2.8%</b>                           | <b>4.7%</b>                    |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| Solid Waste Disposal Fees           | \$279,962          | \$380,295          | \$381,822        | \$385,218          | \$352,477          | \$385,000        | \$72,514          | 6.5%                                   | 5.3%                           |
| Payments from Delinquents           | 57,237             | 26,233             | 18,571           | 15,765             | 57,467             | 30,000           | 230               | 0.1%                                   | 0.9%                           |
| Interest and Penalties              | 7,480              | 750                | -                | -                  | -                  | -                | (7,480)           | -25.0%                                 |                                |
| Fees - Bins/Bags                    | 534                | 859                | 541              | 4,531              | 490                | 550              | (45)              | -2.1%                                  | 0.0%                           |
| Hauler Permits                      | -                  | -                  | 225              | 600                | 375                | 500              | 375               |  | 0.0%                           |
| Proceeds from DER Grant             |                    | 6,443              | 7,900            | 48,085             | 11,600             |                  | 11,600            |  | 0.2%                           |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| <b>Total Solid Waste</b>            | <b>\$345,213</b>   | <b>\$414,581</b>   | <b>\$409,058</b> | <b>\$454,199</b>   | <b>\$422,408</b>   | <b>\$416,050</b> | <b>\$77,195</b>   | <b>5.6%</b>                            | <b>6.3%</b>                    |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| Swimming Poll Passes                | \$54,612           |                    |                  | \$37,610           | \$34,841           | \$40,000         | (\$19,771)        | -9.1%                                  | 0.5%                           |
| Swimming Pool Daily Receipts        | 107,237            |                    |                  | 92,253             | 82,886             | 85,000           | (24,351)          | -5.7%                                  | 1.2%                           |
| Swimming Instructions               | 3,775              |                    |                  | 3,620              | 2,638              | 3,000            | (1,137)           | -7.5%                                  | 0.0%                           |
| Aqua Aerobics                       | 1,247              |                    |                  | -                  | 142                | 100              | (1,105)           | -22.2%                                 | 0.0%                           |
| Concession Stand                    | 4,500              | 1,000              |                  | 1,000              |                    |                  | (4,500)           |  |                                |
| Idlewild Tickets                    | 1,754              | 686                | 266              | 800                | 800                | 800              | (954)             | -13.6%                                 | 0.0%                           |
| Recreation Program Fees             | 12,169             | 14,972             | 12,347           | 7,858              | 7,140              | 6,500            | (5,029)           | -10.3%                                 | 0.1%                           |
| After School Programs               | 15,085             | 24,598             | 21,889           | 15,829             | 10,222             | 9,000            | (4,863)           | -8.1%                                  | 0.2%                           |
| Vending Concessions                 | 2,955              | 2,278              | 2,788            | 1,503              | 2,705              | 2,500            | (250)             | -2.1%                                  | 0.0%                           |
| Volley Ball Program                 | 450                | -                  | -                | -                  | -                  | -                | (450)             |  |                                |
| Day Camp                            | 21,860             | 45,140             | 46,510           | 49,499             | 7,619              | 8,500            | (14,241)          | -16.3%                                 | 0.1%                           |
| Sunday Matinee                      |                    |                    |                  | -                  | 101                | 100              | 101               |  | 0.0%                           |
| Dormont Beautification              |                    |                    |                  |                    | 2,000              |                  | 2,000             |  | 0.0%                           |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| <b>Total Culture and Recreation</b> | <b>\$238,284</b>   | <b>\$104,890</b>   | <b>\$84,374</b>  | <b>\$209,972</b>   | <b>\$151,093</b>   | <b>\$155,500</b> | <b>(\$87,191)</b> | <b>-9.1%</b>                           | <b>2.3%</b>                    |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |
| <b>Total Departmental Earnings</b>  | <b>\$1,058,784</b> | <b>\$1,005,868</b> | <b>\$948,844</b> | <b>\$1,187,668</b> | <b>\$1,024,270</b> | <b>\$989,730</b> | <b>(\$34,514)</b> | <b>-0.8%</b>                           |                                |
|                                     |                    |                    |                  |                    |                    |                  | -                 |  |                                |

**Borough of Dormont  
Revenues Trends 2002 to 2007**

|                                 | 2002        | 2003        | 2004        | 2005        | 2006        | 2007        | 2002-2006  | Average<br>Annual<br>Percent<br>Change | 2006 as<br>percent<br>of total |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|--|--------------------------------|
| School Guard Payroll            | \$47,431    | \$64,258    | \$67,866    | \$78,433    | \$52,734    | \$60,000    | \$5,304    | 2.8%                                   | 0.8%                           |
| School Guard Uniform            | 732         | 1,040       | 1,640       | 553         | 575         | 1,750       | (158)      | -5.4%                                  | 0.0%                           |
| Total School Guard Payroll      | \$48,163    | \$65,298    | \$69,506    | \$78,986    | \$53,309    | \$61,750    | \$5,146    | 2.7%                                   | 0.8%                           |
| Refunds                         | \$34,780    | \$16,780    | \$17,026    | \$45,813    | \$22,524    | \$18,000    | (\$12,257) | -8.8%                                  | 0.3%                           |
| Judgments and Damages           | 4,565       | 31,059      | 2,290       | 11,511      | 5,027       | 5,000       | 462        | 2.5%                                   | 0.1%                           |
| Fire Damage Escrow              | 22,153      | 17,009      | 3,180       | -           | 8,000       | -           | (14,153)   | -16.0%                                 | 0.1%                           |
| Total Miscellaneous             | \$61,498    | \$64,848    | \$22,496    | \$57,324    | \$35,551    | \$23,000    | (\$25,947) | -10.5%                                 | 0.5%                           |
| Sale of Fixed Assets            | \$85        | \$6,500     | \$900       | \$100       | -           | \$100,000   | (\$85)     | -                                      | -                              |
| Total Sale of Fixed Assets      | \$85        | \$6,500     | \$900       | \$100       | -           | \$100,000   | (\$85)     | -                                      | -                              |
| Transfer - Credit Card Account  | -           | -           | \$36,000    | -           | -           | -           | -          | -                                      | -                              |
| Transfer - Liquid Fuels         | -           | -           | -           | -           | -           | -           | -          | -                                      | -                              |
| Transfer - Sewer Fund           | -           | \$100,000   | \$450,000   | \$300,000   | \$10,000    | \$10,000    | \$10,000   | -                                      | 0.1%                           |
| Transfer Capital Fund           | -           | -           | -           | 80,993      | -           | -           | -          | -                                      | -                              |
| Total Interfund Transfers       | -           | \$100,000   | \$486,000   | \$380,993   | \$10,000    | \$10,000    | \$10,000   | -                                      | 0.1%                           |
| Refund of Prior Yr Expenditures | \$76,402    | \$32,085    | \$31,348    | \$36,916    | \$46,585    | \$46,000    | (\$29,817) | -9.8%                                  | 0.7%                           |
| Total Refund                    | \$76,402    | \$32,085    | \$31,348    | \$36,916    | \$46,585    | \$46,000    | (\$29,817) | -9.8%                                  | 0.7%                           |
| Total Revenues                  | \$5,965,481 | \$5,785,783 | \$6,325,910 | \$6,501,102 | \$6,710,887 | \$6,709,190 | \$745,405  | 3.1%                                   | 100.0%                         |
| Adjustments                     | -           | -           | -           | -           | -           | -           | -          | -                                      | -                              |
| Grants                          | \$44,000    | \$26,000    | \$6,000     | -           | \$48,358    | -           | \$4,358    | -                                      | -                              |
| Trail Grants - DCNR             | 65,000      | -           | -           | -           | -           | -           | (65,000)   | -                                      | -                              |
| Proceeds from DER Grant         | -           | 6,443       | 7,900       | 48,085      | 11,600      | -           | 11,600     | -                                      | -                              |
| Total Interfund Transfers       | -           | 100,000     | 486,000     | 380,993     | 10,000      | 10,000      | 10,000     | -                                      | -                              |
| Total                           | 109,000     | 132,443     | 499,900     | 429,078     | 69,958      | 10,000      | (39,042)   | -                                      | -                              |
| Core Revenue                    | \$5,856,481 | \$5,653,340 | \$5,826,010 | \$6,072,025 | \$6,640,928 | \$6,699,190 | \$784,447  | 3.3%                                   | -                              |

## **Appendix B—Dormont Expenditure Trends by Object**



**Borough of Dormont  
Expenditure Trends by Object 2002 to 2007**

|  | 2002        | 2003        | 2004        | 2005        | 2006        | 2007        | 2002-2006  | Average Annual Percent Change | As percent 2006 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------------------------|-----------------|
| Compensation of Elected Officials        | \$43,448    | \$37,192    | \$38,616    | \$39,785    | \$40,024    | \$39,673    | (\$3,425)  | -2.0%                         | 0.65%           |
| Salaries of Directors                    | -           | -           | -           | -           | 83,423      | 138,900     | 83,423     |                               | 1.36%           |
| Wages and Salaries of Professional Staff | 1,683,710   | 1,795,803   | 1,877,744   | 1,899,245   | 1,878,736   | 2,028,274   | 195,025    | 2.9%                          | 30.67%          |
| Wages and Salaries of Other Staff        | 22,242      | 23,021      | 24,402      | 24,860      | 24,285      | 26,400      | 2,043      | 2.3%                          | 0.40%           |
| Wages and Salaries                       | \$1,749,401 | \$1,856,016 | \$1,940,762 | \$1,963,890 | \$2,026,467 | \$2,233,247 | \$277,067  | 4.0%                          | 33.08%          |
| Benefits                                 | \$238,728   | \$295,686   | \$373,334   | \$343,230   | \$342,562   | \$328,000   | \$103,834  | 10.9%                         | 5.59%           |
| Pensions, FICA, UIC, EAP                 | 105,870     | 115,696     | 270,105     | 287,652     | 253,548     | 321,252     | 147,677    | 34.9%                         | 4.14%           |
| Benefits                                 | \$344,598   | \$411,381   | \$643,439   | \$630,882   | \$596,109   | \$649,252   | \$251,511  | 18.2%                         | 9.73%           |
| Leave Pay                                | \$65,621    | \$56,102    | \$52,426    | \$70,020    | \$71,394    | \$74,140    | \$5,773    | 2.2%                          | 1.17%           |
| Other Salaries and Wages                 | 327,980     | 329,353     | 341,197     | 386,266     | 364,216     | 433,940     | 36,236     | 2.8%                          | 5.95%           |
| Education and Uniforms                   | 35,596      | 43,266      | 35,109      | 38,667      | 48,902      | 44,400      | 13,306     | 9.3%                          | 0.80%           |
| Other Pay                                | \$429,197   | \$428,722   | \$428,732   | \$494,953   | \$484,511   | \$552,480   | \$55,315   | 3.2%                          | 7.91%           |
| Supplies                                 | \$708       | \$636       |             |             | \$400       | \$1,000     | (\$308)    | -10.9%                        | 0.01%           |
| Office Supplies                          | 6,316       | 6,609       | 5,543       | 5,979       | 5,606       | 7,500       | (709)      | -2.8%                         | 0.09%           |
| Chemicals                                | 20,917      | -           | -           | 33,195      | 16,735      | 25,000      | (4,181)    | -5.0%                         | 0.27%           |
| Vehicle Fuel                             | 13,250      | 18,160      | 25,023      | 27,586      | 34,350      | 34,400      | 21,100     | 39.8%                         | 0.56%           |
| General Supplies                         | 102,229     | 72,994      | 71,184      | 73,787      | 55,942      | 92,600      | (46,288)   | -11.3%                        | 0.91%           |
| Small Tools and Minor Equipment          | 1,543       | 2,368       | 1,738       | 3,479       | 11,939      | 13,000      | 10,396     | 168.4%                        | 0.19%           |
| Supplies                                 | \$144,963   | \$100,765   | \$103,488   | \$144,025   | \$124,972   | \$173,500   | (\$19,991) | -3.4%                         | 2.04%           |
| Charges/Fees                             | \$23,023    | \$22,081    | \$8,492     | \$2,672     | \$1,860     | \$2,500     | (\$21,163) | -23.0%                        | 0.03%           |
| Professional Fees                        | 201,408     | 253,845     | 158,301     | 226,362     | 223,638     | 192,950     | 22,229     | 2.8%                          | 3.65%           |
| Communications                           | 35,030      | 35,006      | 33,939      | 35,991      | 35,828      | 41,050      | 798        | 0.6%                          | 0.58%           |
| Auto Allowance                           | 2,488       | 1,150       | 688         | 1,738       | 2,013       | 2,550       | (475)      | -4.8%                         | 0.03%           |
| Advertising, Printing and Binding        | 38,957      | 42,114      | 39,351      | 32,069      | 31,568      | 33,500      | (7,389)    | -4.7%                         | 0.52%           |
| Insurance                                | 264,193     | 283,447     | 313,136     | 411,978     | 411,141     | 372,000     | 146,948    | 13.9%                         | 6.71%           |
| Public Utility Services                  | 591,501     | 549,600     | 599,156     | 684,155     | 564,447     | 686,700     | (27,054)   | -1.1%                         | 9.21%           |
| Repairs and Maintenance                  | 63,032      | 127,354     | 72,187      | 107,290     | 73,466      | 97,200      | 10,435     | 4.1%                          | 1.20%           |
| Rentals                                  | 18,167      | 17,883      | 18,155      | 21,898      | 52,977      | 60,200      | 34,810     | 47.9%                         | 0.86%           |
| Computer Hardware and Software           | 34,501      | 37,998      | 29,196      | 35,493      | 30,582      | 31,800      | (3,920)    | -2.8%                         | 0.50%           |
| Other Services                           | \$1,272,300 | \$1,370,477 | \$1,272,600 | \$1,559,647 | \$1,427,519 | \$1,520,450 | \$155,219  | 3.0%                          | 23.30%          |

**Borough of Dormont  
Expenditure Trends by Object 2002 to 2007**

|   | 2002               | 2003               | 2004               | 2005               | 2006               | 2007               | 2002-2006        | Average Annual Percent Change | As percent 2006 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|-------------------------------|-----------------|
| Judgments and Damages                   | \$2,395            | \$19,741           | \$4,766            | \$39,599           | \$21,644           | \$25,000           | \$19,249         | 201.0%                        | 0.35%           |
| Dues, Subscriptions, Memberships        | 4,656              | 6,054              | 5,230              | 4,175              | 4,107              | 4,850              | (549)            | -2.9%                         | 0.07%           |
| Credit Card Fees                        | 1,376              | 1,472              | 1,334              | 2,539              | 826                | 2,000              | (550)            | -10.0%                        | 0.01%           |
| Other Contract Services                 | 103,741            | 111,439            | 160,527            | 151,843            | 51,860             | 72,300             | (51,882)         | -12.5%                        | 0.85%           |
| Meetings & Conferences                  | 17,885             | 21,680             | 19,926             | 17,772             | 19,728             | 29,010             | 1,844            | 2.6%                          | 0.32%           |
| Functions                               | 1,542              | 2,793              | 1,801              | 2,349              | 2,587              | 6,034              | 1,045            | 16.9%                         | 0.04%           |
| Permit Fees                             | 3,205              | 120                | 750                | 800                | 1,295              | 1,430              | (1,910)          | -14.9%                        | 0.02%           |
| Other Charges                           | \$134,799          | \$163,300          | \$194,335          | \$219,077          | \$102,047          | \$140,624          | (\$32,753)       | -6.1%                         | 1.67%           |
| Contribution to Others                  | \$500              | \$800              | \$650              | \$400              | \$1,178            | \$1,500            | \$678            | 33.9%                         | 0.02%           |
| Contributions to Institutions           | 98,985             | 97,887             | 101,104            | 97,961             | 91,984             | 103,650            | (7,001)          | -1.8%                         | 1.50%           |
| Grant Matches                           | 5,702              | 139                | -                  | -                  | -                  | 25,000             | (5,702)          |                               |                 |
| Contributions to Government Units       | 3,000              | 10,305             | 4,058              | 4,801              | 10,958             | 13,200             | 7,958            | 66.3%                         | 0.18%           |
| Contributions, Grants and Subsidies     | \$108,187          | \$109,132          | \$105,812          | \$103,162          | \$104,120          | \$143,350          | (\$4,067)        | -0.9%                         | 1.70%           |
| Construction Contracts                  | \$42,692           |                    |                    | \$371              |                    |                    | (\$42,692)       |                               |                 |
| Capital Construction                    | \$42,692           |                    |                    | \$371              |                    |                    | (\$42,692)       |                               |                 |
| Capital Purchase - Lease                | \$32,538           | \$3,264            |                    | \$15,104           | \$24,085           | \$40,000           | (\$8,452)        | -6.5%                         | 0.39%           |
| Capital Purchases - Major               | 11,450             | 2,053              | -                  | 37,965             | 45,967             | 77,500             | 34,517           | 75.4%                         | 0.75%           |
| Capital Purchase - Minor                | -                  | -                  | -                  | 34,667             | 19,647             | 35,000             | 19,647           |                               | 0.32%           |
| Capital Purchases                       | \$43,988           | \$5,318            |                    | \$87,737           | \$89,700           | \$152,500          | \$45,712         | 26.0%                         | 1.46%           |
| Principal Payments                      | \$600,484          | \$638,377          | \$735,493          | \$753,688          | \$741,851          | \$723,050          | \$141,367        | 5.9%                          | 12.11%          |
| Interest Payments                       | 329,904            | 296,941            | 229,099            | 225,395            | 214,628            | 167,737            | (115,276)        |                               | 3.50%           |
| Refunds                                 | 114,508            | 83,097             | 87,741             | 10,039             | 6,361              | 30,000             | (108,146)        | -23.6%                        | 0.10%           |
| Transfer                                | 300,000            | 505,000            | 605,000            | 350,000            | 200,000            | 177,000            | (100,000)        | -8.3%                         | 3.26%           |
| Contingency                             | -                  | -                  | -                  | -                  | 8,000              | 46,000             | 8,000            |                               | 0.13%           |
| Debt Service, Transfers and Contingency | \$1,344,896        | \$1,523,416        | \$1,657,333        | \$1,339,123        | \$1,170,840        | \$1,143,787        | (\$174,055)      | -3.2%                         | 19.11%          |
| <b>Total</b>                            | <b>\$5,615,020</b> | <b>\$5,968,528</b> | <b>\$6,346,502</b> | <b>\$6,542,866</b> | <b>\$6,126,286</b> | <b>\$6,709,190</b> | <b>\$511,266</b> | <b>2.3%</b>                   | <b>100.00%</b>  |

## **Appendix C—Dormont Revenue Projections**



**Borough of Dormont  
Revenue Projections 2007 to 2012**

|                                   | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | Average Annual<br>Increase 2007<br>to 2012 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| Real Estate General Operations    | \$2,131,200 | \$2,211,956 | \$2,217,486 | \$2,223,030 | \$2,228,588 | \$2,234,159 | 0.97%                                      |
| Real Estate Debt Service          | 894,800     | 847,240     | 849,358     | 851,482     | 853,610     | 855,744     | -0.87%                                     |
| Real Estate Library               | 76,150      | 76,099      | 76,290      | 76,480      | 76,672      | 76,863      | 0.19%                                      |
| Fire Department                   | 440,300     | 416,010     | 417,050     | 418,093     | 419,138     | 420,186     | -0.91%                                     |
| Street Lighting                   | -           | -           | -           | -           | -           | -           |  |
| Current Real Estate               | 3,542,450   | 3,551,306   | 3,560,184   | 3,569,085   | 3,578,008   | 3,586,953   | 0.25%                                      |
| Real Estate Delinquent            | 130,000     | 130,000     | 130,000     | 130,000     | 130,000     | 130,000     |  |
| Real Estate Liened Taxes          | 15,000      | 15,000      | 15,000      | 15,000      | 15,000      | 15,000      |  |
| Delinquent and Liened Real Estate | 145,000     | 145,000     | 145,000     | 145,000     | 145,000     | 145,000     |  |
| Total Real Estate Taxes           | \$3,687,450 | \$3,696,306 | \$3,705,184 | \$3,714,085 | \$3,723,008 | \$3,731,953 | 0.24%                                      |
| Real Estate Transfer Tax          | \$80,000    | \$80,000    | \$80,000    | \$80,000    | \$80,000    | \$80,000    |  |
| Earned Income Tax Current         | \$680,000   | \$680,000   | \$680,000   | \$680,000   | \$680,000   | \$680,000   |  |
| Earned Income Tax Prior Year      | -           | -           | -           | -           | -           | -           |  |
| Earned Income Tax Delinquent      | -           | -           | -           | -           | -           | -           |  |
| Total Earned Income Tax           | \$680,000   | \$680,000   | \$680,000   | \$680,000   | \$680,000   | \$680,000   |  |
| OP/EMST Current Year              | \$67,000    | \$50,000    | \$66,500    | \$66,500    | \$66,500    | \$66,500    | -0.15%                                     |
| Total Act 511 Taxes               | \$827,000   | \$810,000   | \$826,500   | \$826,500   | \$826,500   | \$826,500   | -0.01%                                     |
| Total Taxes                       | \$4,514,450 | \$4,506,306 | \$4,531,684 | \$4,540,585 | \$4,549,508 | \$4,558,453 |  |
| Vendors                           | \$300       | \$300       | \$300       | \$300       | \$300       | \$300       |  |
| Amusements                        | 45,000      | 40,000      | 40,000      | 40,000      | 40,000      | 40,000      | -2.22%                                     |
| Alarm Device Permits              | 600         | 600         | 600         | 600         | 600         | 600         |  |
| Cable TV Franchise                | 100,000     | 105,000     | 110,250     | 115,763     | 121,551     | 127,628     | 5.53%                                      |
| Liquor License                    | 2,800       | 2,800       | 2,800       | 2,800       | 2,800       | 2,800       |  |
| Bus Shelter                       | -           | -           | -           | -           | -           | -           |  |
| Total License and Permits         | \$148,700   | \$148,700   | \$153,950   | \$159,463   | \$165,251   | \$171,328   | 3.04%                                      |
| Parking Violations                | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000    | \$50,000    |  |
| Magistrate Fines                  | 25,000      | 25,000      | 25,000      | 25,000      | 25,000      | 25,000      |  |
| County Fines DUI                  | 4,000       | 4,000       | 4,000       | 4,000       | 4,000       | 4,000       |  |
| County Dog Fines                  | 50          | 50          | 50          | 50          | 50          | 50          |  |
| Commonwealth Police Fines         | 4,000       | 4,000       | 4,000       | 4,000       | 4,000       | 4,000       |  |
| Total Fines and Penalties         | \$83,050    | \$83,050    | \$83,050    | \$83,050    | \$83,050    | \$83,050    |  |
| Interest Earnings                 | \$70,000    | \$70,000    | \$70,000    | \$70,000    | \$70,000    | \$70,000    |  |

**Borough of Dormont  
Revenue Projections 2007 to 2012**

|   | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | Average Annual<br>Increase 2007<br>to 2012 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|--|
| Total Interest Earnings                         | \$70,000  | \$70,000  | \$70,000  | \$70,000  | \$70,000  | \$70,000  |  |
| Rentals - Park Pavilion                         | \$3,300   | \$3,300   | \$3,300   | \$3,300   | \$3,300   | \$3,300   |  |
| Rentals - Recreation Center<br>Community Center | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    |  |
| Gym Rental                                      | 1,000     | 1,000     | 1,000     | 1,000     | 1,000     | 1,000     |  |
|   | 2,000     | 2,000     | 2,000     | 2,000     | 2,000     | 2,000     |  |
| Building Rental                                 | 104,580   | 107,717   | 110,949   | 114,277   | 117,706   | 121,237   | 3.19%                                      |
| Life Span Building Rental                       | 53,630    | 55,239    | 56,896    | 58,603    | 60,361    | 62,172    | 3.19%                                      |
| Other Building Rental                           | 42,000    | 43,260    | 44,558    | 45,895    | 47,271    | 48,690    |  |
| Street Sweeper Rental                           | 7,500     | 7,500     | 7,500     | 7,500     | 7,500     | 7,500     |  |
| Total Rentals                                   | \$224,010 | \$230,016 | \$236,203 | \$242,575 | \$249,138 | \$255,898 | 2.85%                                      |
| PA DOT Snow Removal                             | -         | -         | -         | -         | -         | -         |  |
| FEMA Snow Removal                               | 3,300     | -         | -         | -         | -         | -         |  |
| Grants  | -         | -         | -         | -         | -         | -         |  |
| Trail Grants - DCNR                             | -         | -         | -         | -         | -         | -         |  |
| Total Intergovernmental State                   | \$3,300   | -         | -         | -         | -         | -         |  |
| PURTA   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   |  |
| Ad hoc Pension Reimbursement                    | 1,200     | 1,200     | 1,200     | 1,200     | 1,200     | 1,200     |  |
| Aid to Pension Funds                            | 141,000   | 141,000   | 141,000   | 141,000   | 141,000   | 141,000   |  |
| PA DOT Snow                                     | -         | -         | -         | -         | -         | -         |  |
| RAD Sales Tax                                   | 288,000   | 295,200   | 302,580   | 310,145   | 317,898   | 325,846   | 2.63%                                      |
| Total Shared Revenue - State                    | \$435,200 | \$442,400 | \$449,780 | \$457,345 | \$465,098 | \$473,046 | 1.74%                                      |
| Hearing Fees                                    | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   |  |
| Dye Testing Fees                                | 4,400     | 4,400     | 4,400     | 4,400     | 4,400     | 4,400     |  |
| Miscellaneous Fees                              | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     |  |
| Tenant Registration Fees                        | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    |  |
| Total General Government                        | \$28,400  | \$28,400  | \$28,400  | \$28,400  | \$28,400  | \$28,400  |  |
| Special Police Services                         | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   | \$2,000   |  |
| Accident Reports                                | 1,900     | 1,900     | 1,900     | 1,900     | 1,900     | 1,900     |  |
| Reimbursed Wages Heart and Lung                 | 45,000    | 45,000    | 45,000    | 45,000    | 45,000    | 45,000    |  |
| Donations/Dare                                  | 2,000     | 2,000     | 2,000     | 2,000     | 2,000     | 2,000     |  |
| Civil Service Test Fees                         | -         | -         | -         | -         | -         | -         |  |
| Prisoner Lock Up Charges                        | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     |  |
| Building Permits                                | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    |  |
| Occupancy Permits                               | 3,750     | 3,750     | 3,750     | 3,750     | 3,750     | 3,750     |  |
| State Permit Fee                                | 430       | 430       | 430       | 430       | 430       | 430       |  |
| Street Opening                                  | 3,500     | 3,500     | 3,500     | 3,500     | 3,500     | 3,500     |  |

**Borough of Dormont  
Revenue Projections 2007 to 2012**

|                               | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | Average Annual<br>Increase 2007<br>to 2012 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| Total Special Police Services | \$79,580  | \$79,580  | \$79,580  | \$79,580  | \$79,580  | \$79,580  |  |
| Espy Lot                      | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$4,000   |  |
| Meters - Gilmore Lot          | 7,500     | 7,500     | 7,500     | 7,500     | 7,500     | 7,500     |  |
| Meters - Illinois Lot         | 6,000     | 6,000     | 6,000     | 6,000     | 6,000     | 6,000     |  |
| Meters - Junction Lot         | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    |  |
| Meters - Vet Lot              | 3,700     | 3,700     | 3,700     | 3,700     | 3,700     | 3,700     |  |
| Meters - Village Boro Lot     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     |  |
| Meters - Village Prud Lot     | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    |  |
| Parking Meters - General      | 102,000   | 102,000   | 102,000   | 102,000   | 102,000   | 102,000   |  |
| Parking Permits - Business    | 53,000    | 53,000    | 53,000    | 53,000    | 53,000    | 53,000    |  |
| Parking Permits - Residential | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     |  |
| Meter Violations              | 85,000    | 85,000    | 85,000    | 85,000    | 85,000    | 85,000    |  |
| Lot Rental - Park Blvd        | 7,000     | 7,000     | 7,000     | 7,000     | 7,000     | 7,000     |  |
| Telephone Commissions         | -         | -         | -         | -         | -         | -         |  |
| Boot Fees                     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     |  |
| Total Parking Meters          | \$310,200 | \$310,200 | \$310,200 | \$310,200 | \$310,200 | \$310,200 |  |
| Solid Waste Disposal Fees     | \$385,000 | \$385,000 | \$385,000 | \$385,000 | \$385,000 | \$385,000 |  |
| Payments from Delinquents     | 30,000    | 30,000    | 30,000    | 30,000    | 30,000    | 30,000    |  |
| Interest and Penalties        | -         | -         | -         | -         | -         | -         |  |
| Fees - Bins/Bags              | 550       | 550       | 550       | 550       | 550       | 550       |  |
| Hauler Permits                | 500       | 500       | 500       | 500       | 500       | 500       |  |
| Proceeds from DER Grant       | -         | -         | -         | -         | -         | -         |  |
| Total Solid Waste             | \$416,050 | \$416,050 | \$416,050 | \$416,050 | \$416,050 | \$416,050 |  |
| Swimming Poll Passes          | \$40,000  | \$40,000  | \$40,000  | \$40,000  | \$40,000  | \$40,000  |  |
| Swimming Pool Daily Receipts  | 85,000    | 85,000    | 85,000    | 85,000    | 85,000    | 85,000    |  |
| Swimming Instructions         | 3,000     | 3,000     | 3,000     | 3,000     | 3,000     | 3,000     |  |
| Aqua Aerobics                 | 100       | 100       | 100       | 100       | 100       | 100       |  |
| Concession Stand              | -         | -         | -         | -         | -         | -         |  |
| Idlewild Tickets              | 800       | 800       | 800       | 800       | 800       | 800       |  |
| Recreation Program Fees       | 6,500     | 6,500     | 6,500     | 6,500     | 6,500     | 6,500     |  |
| After School Programs         | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     |  |
| Vending Concessions           | 2,500     | 2,500     | 2,500     | 2,500     | 2,500     | 2,500     |  |
| Volley Ball Program           | -         | -         | -         | -         | -         | -         |  |
| Day Camp                      | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     |  |
| Sunday Matinee                | 100       | 100       | 100       | 100       | 100       | 100       |  |
| Dormont Beautification        | -         | -         | -         | -         | -         | -         |  |
| Total Culture and Recreation  | \$155,500 | \$155,500 | \$155,500 | \$155,500 | \$155,500 | \$155,500 |  |

**Borough of Dormont  
Revenue Projections 2007 to 2012**

|                             | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | Average Annual<br>Increase 2007<br>to 2012 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| Total Departmental Earnings | \$989,730 | \$989,730 | \$989,730 | \$989,730 | \$989,730 | \$989,730 | -  |

**Borough of Dormont  
Revenue Projections 2007 to 2012**

|                                 | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | Average Annual<br>Increase 2007<br>to 2012 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| School Guard Payroll            | \$60,000    | \$60,000    | \$60,000    | \$60,000    | \$60,000    | \$60,000    |  |
| School Guard Uniform            | 1,750       | 1,750       | 1,750       | 1,750       | 1,750       | 1,750       |  |
| Total School Guard Payroll      | \$61,750    | \$61,750    | \$61,750    | \$61,750    | \$61,750    | \$61,750    |  |
| Refunds                         | \$18,000    | \$18,000    | \$18,000    | \$18,000    | \$18,000    | \$18,000    |  |
| Judgments and Damages           | 5,000       | 5,000       | 5,000       | 5,000       | 5,000       | 5,000       |  |
| Fire Damage Escrow              | -           | -           | -           | -           | -           | -           |  |
| Total Miscellaneous             | \$23,000    | \$23,000    | \$23,000    | \$23,000    | \$23,000    | \$23,000    |  |
| Sale of Fixed Assets            | \$100,000   | \$1,000     | \$1,000     | \$1,000     | \$1,000     | \$1,000     | -19.80%                                    |
| Total Sale of Fixed Assets      | \$100,000   | \$1,000     | \$1,000     | \$1,000     | \$1,000     | \$1,000     | -19.80%                                    |
| Transfer - Credit Card Account  | -           | -           | -           | -           | -           | -           |  |
| Transfer - Liquid Fuels         | -           | -           | -           | -           | -           | -           |  |
| Transfer - Sewer Fund           | \$10,000    | \$10,000    | \$10,000    | \$10,000    | \$10,000    | \$10,000    |  |
| Transfer Capital Fund           | -           | -           | -           | -           | -           | -           |  |
| Total Interfund Transfers       | \$10,000    | \$10,000    | \$10,000    | \$10,000    | \$10,000    | \$10,000    |  |
| Refund of Prior Yr Expenditures | \$46,000    | \$46,000    | \$46,000    | \$46,000    | \$46,000    | \$46,000    |  |
| Total Refund                    | \$46,000    | \$46,000    | \$46,000    | \$46,000    | \$46,000    | \$46,000    |  |
| Total Revenues                  | \$6,709,190 | \$6,611,952 | \$6,656,147 | \$6,684,497 | \$6,713,524 | \$6,743,255 | 0.10%                                      |
| Adjustments                     | -           | -           | -           | -           | -           | -           |  |
| Grants                          | -           | -           | -           | -           | -           | -           |  |
| Trail Grants - DCNR             | -           | -           | -           | -           | -           | -           |  |
| Proceeds from DER Grant         | -           | -           | -           | -           | -           | -           |  |
| Total Interfund Transfers       | 10,000      | 10,000      | 10,000      | 10,000      | 10,000      | 10,000      |  |
| Total                           | 10,000      | 10,000      | 10,000      | 10,000      | 10,000      | 10,000      |  |
| Core Revenue                    | \$6,699,190 | \$6,611,952 | \$6,656,147 | \$6,684,497 | \$6,713,524 | \$6,743,255 | 0.13%                                      |



## **Appendix D—Dormont Expenditure Projections**



## Expenditure Projections by Object 2007 to 2012

|  | 2007               | 2008               | 2009               | 2010               | 2011               | 2012               | 2007-<br>2012 | As percent<br>of 2007 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|-----------------------|
| Compensation of Elected Officials        | \$39,673           | \$39,673           | \$39,673           | \$39,673           | \$39,673           | \$39,673           |               | 0.6%                  |
| Salaries of Directors                    | 138,900            | 142,025            | 145,221            | 148,488            | 151,829            | 155,245            | 2.4%          | 2.1%                  |
| Wages and Salaries of Professional Staff | 2,028,274          | 2,088,958          | 2,151,796          | 2,218,882          | 2,288,209          | 2,359,852          | 3.3%          | 30.2%                 |
| Wages and Salaries of Other Staff        | 26,400             | 27,192             | 28,076             | 29,058             | 30,075             | 31,128             | 3.6%          | 0.4%                  |
| Wages and Salaries                       | <u>\$2,233,247</u> | <u>\$2,297,848</u> | <u>\$2,364,765</u> | <u>\$2,436,102</u> | <u>\$2,509,787</u> | <u>\$2,585,899</u> | 3.2%          | 33.3%                 |
| Benefits                                 | \$328,000          | \$354,240          | \$382,579          | \$413,186          | \$446,240          | \$481,940          | 9.4%          | 4.9%                  |
| Pensions, FICA, UIC, EAP                 | 321,252            | 344,748            | 361,957            | 392,157            | 426,395            | 465,212            | 9.0%          | 4.8%                  |
| Benefits                                 | <u>\$649,252</u>   | <u>\$698,988</u>   | <u>\$744,536</u>   | <u>\$805,343</u>   | <u>\$872,636</u>   | <u>\$947,152</u>   | 9.2%          | 9.7%                  |
| Leave Pay                                | \$74,140           | \$75,523           | \$76,953           | \$78,434           | \$79,967           | \$81,554           | 2.0%          | 1.1%                  |
| Other Salaries and Wages                 | 433,940            | 445,776            | 458,274            | 471,197            | 484,562            | 498,381            | 3.0%          | 6.5%                  |
| Education and Uniforms                   | 44,400             | 45,421             | 46,420             | 47,442             | 48,485             | 49,552             | 2.3%          | 0.7%                  |
| Other Pay                                | <u>\$552,480</u>   | <u>\$566,720</u>   | <u>\$581,648</u>   | <u>\$597,074</u>   | <u>\$613,014</u>   | <u>\$629,487</u>   | 2.8%          | 8.2%                  |
| Supplies                                 | \$1,000            | \$1,023            | \$1,046            | \$1,069            | \$1,092            | \$1,116            | 2.3%          | 0.0%                  |
| Office Supplies                          | 7,500              | 7,673              | 7,841              | 8,014              | 8,190              | 8,370              | 2.3%          | 0.1%                  |
| Chemicals                                | 25,000             | 25,575             | 26,138             | 26,713             | 27,300             | 27,901             | 2.3%          | 0.4%                  |
| Vehicle Fuel                             | 34,400             | 35,260             | 36,142             | 37,045             | 37,971             | 38,920             | 2.6%          | 0.5%                  |
| General Supplies                         | 92,600             | 94,730             | 96,814             | 98,944             | 101,121            | 103,345            | 2.3%          | 1.4%                  |
| Small Tools and Minor Equipment          | 13,000             | 13,299             | 13,592             | 13,891             | 14,196             | 14,509             | 2.3%          | 0.2%                  |
| Supplies                                 | <u>\$173,500</u>   | <u>\$177,559</u>   | <u>\$181,571</u>   | <u>\$185,674</u>   | <u>\$189,870</u>   | <u>\$194,161</u>   | 2.4%          | 2.6%                  |
| Charges/Fees                             | \$2,500            | \$2,558            | \$2,614            | \$2,671            | \$2,730            | \$2,790            | 2.3%          | 0.0%                  |
| Professional Fees                        | 192,950            | 189,749            | 176,509            | 178,307            | 180,146            | 182,024            | -1.1%         | 2.9%                  |
| Communications                           | 41,050             | 42,370             | 43,742             | 45,174             | 46,670             | 48,233             | 3.5%          | 0.6%                  |
| Auto Allowance                           | 2,550              | 2,609              | 2,666              | 2,725              | 2,785              | 2,846              | 2.3%          | 0.0%                  |
| Advertising, Printing and Binding        | 33,500             | 33,500             | 33,500             | 33,500             | 33,500             | 33,500             |               | 0.5%                  |
| Insurance                                | 372,000            | 397,350            | 424,508            | 453,606            | 484,789            | 518,212            | 7.9%          | 5.5%                  |
| Public Utility Services                  | 686,700            | 700,893            | 715,440            | 730,351            | 745,635            | 761,300            | 2.2%          | 10.2%                 |
| Repairs and Maintenance                  | 97,200             | 99,436             | 101,623            | 103,859            | 106,144            | 108,479            | 2.3%          | 1.4%                  |
| Rentals                                  | 60,200             | 60,451             | 60,696             | 60,947             | 61,203             | 61,465             | 0.4%          | 0.9%                  |
| Computer Hardware and Software           | 31,800             | 31,800             | 31,800             | 31,800             | 31,800             | 31,800             |               | 0.5%                  |
| Other Services                           | <u>\$1,520,450</u> | <u>\$1,560,714</u> | <u>\$1,593,097</u> | <u>\$1,642,940</u> | <u>\$1,695,401</u> | <u>\$1,750,650</u> | 3.0%          | 22.7%                 |

## Expenditure Projections by Object 2007 to 2012

|   | 2007               | 2008               | 2009               | 2010               | 2011               | 2012               | 2007-<br>2012 | As percent<br>of 2007 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|-----------------------|
| Judgments and Damages                   | \$25,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           | \$25,000           |               | 0.4%                  |
| Dues, Subscriptions, Memberships        | 4,850              | 4,850              | 4,850              | 4,850              | 4,850              | 4,850              |               | 0.1%                  |
| Credit Card Fees                        | 2,000              | 2,000              | 2,000              | 2,000              | 2,000              | 2,000              |               | 0.0%                  |
| Other Contract Services                 | 72,300             | 73,371             | 74,422             | 75,497             | 76,596             | 77,719             | 1.5%          | 1.1%                  |
| Meetings & Conferences                  | 29,010             | 29,010             | 29,010             | 29,010             | 29,010             | 29,010             |               | 0.4%                  |
| Functions                               | 6,034              | 6,034              | 6,034              | 6,034              | 6,034              | 6,034              |               | 0.1%                  |
| Permit Fees                             | 1,430              | 1,430              | 1,430              | 1,430              | 1,430              | 1,430              |               | 0.0%                  |
| Other Charges                           | \$140,624          | \$141,695          | \$142,746          | \$143,821          | \$144,920          | \$146,043          | 0.8%          | 2.1%                  |
| Contribution to Others                  | \$1,500            | \$1,500            | \$1,500            | \$1,500            | \$1,500            | \$1,500            |               | 0.0%                  |
| Contributions to Institutions           | 103,650            | 103,650            | 103,650            | 103,650            | 103,650            | 103,650            |               | 1.5%                  |
| Grant Matches                           | 25,000             | -                  | -                  | -                  | -                  | -                  |               | 0.4%                  |
| Contributions to Government Units       | 13,200             | 13,995             | 14,856             | 15,790             | 16,804             | 17,905             | 7.1%          | 0.2%                  |
| Contributions, Grants and Subsidies     | \$143,350          | \$119,145          | \$120,006          | \$120,940          | \$121,954          | \$123,055          | -2.8%         | 2.1%                  |
| <b>Construction Contracts</b>           |                    |                    |                    |                    |                    |                    |               |                       |
| <b>Capital Construction</b>             |                    |                    |                    |                    |                    |                    |               |                       |
| Capital Purchase - Lease                | \$40,000           | \$40,000           | \$40,000           | \$40,000           | \$40,000           | \$40,000           |               | 0.6%                  |
| Capital Purchases - Major               | 77,500             | 77,500             | 77,500             | 77,500             | 77,500             | 77,500             |               | 1.2%                  |
| Capital Purchase - Minor                | 35,000             | 35,000             | 35,000             | 35,000             | 35,000             | 35,000             |               | 0.5%                  |
| Capital Purchases                       | \$152,500          | \$152,500          | \$152,500          | \$152,500          | \$152,500          | \$152,500          |               | 2.3%                  |
| Principal Payments                      | \$723,050          | \$757,750          | \$794,186          | \$830,923          | \$851,926          | \$828,845          | 2.9%          | 10.8%                 |
| Interest Payments                       | 167,737            | 142,347            | 108,765            | 72,853             | 48,633             | 44,131             | -14.7%        | 2.5%                  |
| Refunds                                 | 30,000             | 30,000             | 30,000             | 30,000             | 30,000             | 30,000             |               | 0.4%                  |
| Transfer                                | 177,000            | -                  | -                  | -                  | -                  | -                  |               | 2.6%                  |
| Contingency                             | 46,000             | -                  | -                  | -                  | -                  | -                  |               | 0.7%                  |
| Debt Service, Transfers and Contingency | \$1,143,787        | \$930,097          | \$932,951          | \$933,777          | \$930,559          | \$902,975          | -4.2%         | 17.0%                 |
| <b>Total</b>                            | <b>\$6,709,190</b> | <b>\$6,645,266</b> | <b>\$6,813,821</b> | <b>\$7,018,170</b> | <b>\$7,230,641</b> | <b>\$7,431,921</b> | <b>2.2%</b>   | <b>100.0%</b>         |

## **Appendix E—Dormont Expenditure Projections by Department**



**Expenditure Projections by Department  
2007 to 2012**

|                           | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | Average<br>Change<br>2007 to<br>2012 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------------|
| Council                   | \$28,300    | \$28,300    | \$28,300    | \$28,300    | \$28,300    | \$28,300    | 0.00%                                |
| Administration            | 262,704     | 267,810     | 273,280     | 278,882     | 284,619     | 290,494     | 2.12%                                |
| Finance                   | 17,000      | 17,391      | 17,774      | 18,165      | 18,564      | 18,973      | 2.32%                                |
| Tax Collection            | 28,373      | 28,465      | 28,555      | 28,647      | 28,741      | 28,837      | 0.33%                                |
| Legal                     | 129,000     | 129,805     | 130,593     | 131,398     | 132,221     | 133,061     | 0.63%                                |
| Data Processing           | 46,800      | 46,984      | 47,164      | 47,348      | 47,536      | 47,728      | 0.40%                                |
| Engineering               | 36,500      | 36,995      | 22,478      | 22,973      | 23,478      | 23,995      | -6.85%                               |
| Government Building       | 171,903     | 175,712     | 179,567     | 183,515     | 187,556     | 191,695     | 2.30%                                |
| General Government        | \$720,580   | \$731,462   | \$727,712   | \$739,227   | \$751,015   | \$763,083   | 1.18%                                |
| Police                    | \$1,656,350 | \$1,708,021 | \$1,761,443 | \$1,816,777 | \$1,874,023 | \$1,933,246 | 3.34%                                |
| Fire Protections          | 440,258     | 450,877     | 461,836     | 473,169     | 484,890     | 497,012     | 2.58%                                |
| UCC and Code Enforcement  | 79,305      | 81,479      | 83,897      | 86,581      | 89,358      | 92,232      | 3.26%                                |
| Planning and Zoning       | 33,200      | 13,995      | 14,856      | 15,790      | 16,804      | 17,905      | -9.21%                               |
| Total Public Safety       | \$2,209,113 | \$2,254,372 | \$2,322,032 | \$2,392,318 | \$2,465,076 | \$2,540,395 | 3.00%                                |
| Solid Waste               | \$438,500   | \$447,998   | \$457,724   | \$467,694   | \$477,912   | \$488,386   | 2.28%                                |
| Total Solid Waste         | \$438,500   | \$447,998   | \$457,724   | \$467,694   | \$477,912   | \$488,386   | 2.28%                                |
| Highway Maintenance       | \$472,147   | \$482,866   | \$493,797   | \$506,637   | \$519,846   | \$533,435   | 2.60%                                |
| Winter Maintenance        | -           | -           | -           | -           | -           | -           |                                      |
| Signs, Paint and Supplies | -           | -           | -           | -           | -           | -           |                                      |
| Street Lighting           | 50,000      | 51,250      | 52,531      | 53,845      | 55,191      | 56,570      | 2.63%                                |
| Traffic Signals           | -           | -           | -           | -           | -           | -           |                                      |
| Highway Maintenance       | -           | -           | -           | -           | -           | -           |                                      |
| Total Public Works        | \$522,147   | \$534,116   | \$546,329   | \$560,481   | \$575,036   | \$590,006   | 2.60%                                |
| Parking Meter Service     | \$94,600    | \$96,344    | \$98,116    | \$100,230   | \$102,404   | \$104,640   | 2.12%                                |
| Residential Parking       | 17,280      | 17,657      | 18,043      | 18,519      | 19,008      | 19,513      | 2.58%                                |
| Parking Meter Service     | \$111,880   | \$114,001   | \$116,160   | \$118,748   | \$121,412   | \$124,153   | 2.19%                                |
| Refreshment Stand         | \$600       | \$615       | \$630       | \$646       | \$662       | \$679       | 2.63%                                |
| Swimming Pool             | 175,100     | 176,520     | 177,933     | 179,380     | 180,861     | 182,376     | 0.83%                                |
| Recreation                | 84,782      | 85,810      | 86,849      | 87,913      | 89,003      | 90,118      | 1.26%                                |
| Parks and Playgrounds     | 151,565     | 153,823     | 156,120     | 158,474     | 160,888     | 163,363     | 1.56%                                |
| Shade Trees               | 5,200       | 5,320       | 5,437       | 5,556       | 5,678       | 5,803       | 2.32%                                |

**Expenditure Projections by Department  
2007 to 2012**

|                              | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | Average<br>Change<br>2007 to<br>2012 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------------|
| Library                      | 76,150      | 76,150      | 76,150      | 76,150      | 76,150      | 76,150      | 0.00%                                |
| Civil/Military Celebrations  | 10,534      | 10,603      | 10,671      | 10,740      | 10,810      | 10,882      | 0.66%                                |
| Social Service Contributions | -           | -           | -           | -           | -           | -           |                                      |
| Culture and Recreation       | \$503,931   | \$508,841   | \$513,790   | \$518,860   | \$524,053   | \$529,372   | 1.01%                                |
| Debt Principal               | \$776,866   | \$757,750   | \$794,186   | \$830,923   | \$851,926   | \$828,845   | 1.34%                                |
| Debt Interest                | 195,399     | 146,439     | 112,947     | 77,127      | 53,001      | 48,595      | -15.03%                              |
| Debt Service                 | \$972,265   | \$904,189   | \$907,133   | \$908,051   | \$904,927   | \$877,440   | -1.95%                               |
| Damages and Judgments        | \$55,000    | \$55,000    | \$55,000    | \$55,000    | \$55,000    | \$55,000    | 0.00%                                |
| Insurance                    | 371,000     | 396,300     | 423,405     | 452,448     | 483,574     | 516,936     | 7.87%                                |
| Employee Benefits            | 518,252     | 567,988     | 613,536     | 674,343     | 741,636     | 816,152     | 11.50%                               |
| Employee Withholding         | 131,000     | 131,000     | 131,000     | 131,000     | 131,000     | 131,000     | 0.00%                                |
| Transfers                    | 177,000     | -           | -           | -           | -           | -           |                                      |
| Contingency                  | 56,000      | -           | -           | -           | -           | -           |                                      |
| Miscellaneous Expenses       | \$1,308,252 | \$1,150,288 | \$1,222,941 | \$1,312,791 | \$1,411,210 | \$1,519,088 | 3.22%                                |
| Expenses                     | \$6,786,668 | \$6,645,266 | \$6,813,821 | \$7,018,170 | \$7,230,641 | \$7,431,921 | 1.90%                                |

