

2022 Budget Memo September 22, 2021

Members of Council,

The 2022 budget spreadsheet, with budget outlooks through 2026, is now available. Most line items are set, but there may be changes to certain items, such as health insurance, information for which is still unavailable.

Revenues

Taxes

Real Estate Homes sales continue to increase the value of the borough. Sales have also allowed Transfer Tax collections to remain strong. Income Tax EIT distributions have not risen as they would be expected to during a normal year, but remain in line with projections for 2021. We will hopefully see more of a return to normal progression in 2022. Local Services Tax collections are still in decline, though they make up a small percentage of our projected income. Cable TV Cable franchise distributions continue to decline. As noted in previous years, cord-cutting is affecting revenues and I expect to see further declines in the future. The regional sales tax distribution has seen improvement in 2021 over 2020, when there was a significant decline due to COVID-19. I expect this line item to stabilize in 2022.

Parking

2021 collections have improved significantly over 2020, but trends have shifted from prior years. Revenue from parking meters remains much lower than expected, but revenue from violations and from Meter Feeder, our parking app, have risen. COVID-19 has likely caused people to refrain from activities that involve touching common surfaces (like parking meters) when a simple app is available. While the trends have shifted, the overall departmental income is in line with projections. Believing these trends will continue into the future, I have adjusted individual line items to account for these changes.

Rentals

Facility rentals will continue to be different than prior years due to the loss of the gym, but other rentals are starting to return to normal. We have seen rentals of park pavilions normalize, but the Rec Center still remains behind projections. I cannot yet tell if this trend will continue into 2022 or if residents will begin to feel comfortable with indoor events again.

Tenant Registration

Our clerks continue to do a great job pursuing tenant registration. While this is not an item we use to seek revenue, their efforts have led to more consistent registration.

Building Permits

Building improvements have again outpaced expectations. Local property owners (both residential and commercial) continue to invest in their properties. The dumpster/pod permit continues to perform well.

Solid Waste

We are entering the final year of the SHACOG contract, which means we still can anticipate our revenue and expenses very accurately, since we moved to a unit-based charge, rather than the former tonnage-based fee. Based on the contract, the unit fee will increase \$5.00 in 2022. I expect to continue to work with SHACOG on a new agreement with local haulers for 2023 and beyond.

Dormont Pool

Due to an extremely wet summer, we did not perform as well as expected in 2021, falling about \$15,000 short of projected revenues. However, considering the amount of wet weather we received, the pool performed well. Our tracking shows that the success of the pool is extremely weather dependent, so it appears that everything within our control was handled well and I expect the same for 2022.

Recreation Programs

Recreation programs began to return in 2022 and their worth definitely showed. Day Camp was extraordinarily successful in 2021, so we will need to consider the possibility of future expansion to meet demand. The Dormont Dash also performed well. Dormont Day did not happen in its traditional format, which led to a significant decrease in income, but there was a commensurate decrease in expenses.

Sale of Fixed Assets

This line item is rarely used as we utilize equipment as long as possible. Vehicles are typically used as trade-ins, which do not result in income, but lower the purchase price of replacement vehicles.

Sewer Fund Transfer

As with prior years, this line accounts for the work performed by our engineer, bookkeeper, manager, and Public Works for the Sewer Fund throughout the year. The amount transferred on an annual basis is based on the percentage of an employee's or department's schedule dedicated to the sanitary sewer system, or, in the case of the bookkeeper, the percentage of overall funds managed through the year.

Conservatorship

The Borough completed the Park Avenue conservatorship project and will complete its sale before the end of 2021. There is no project currently planned for 2022.

Expenses

This section will provide a brief synopsis of every department, focusing on significant changes. Salaries and employee benefits are based on collective bargaining agreements for members of unions, and early expectations for non-union employees. Health insurance premiums and workers' compensation are not yet available, so the budget spreadsheet will be updated once those are in hand. All utility expenses are based on recent trends in cost and usage.

Council – 400

I have maintained the increased Meetings & Conferences line to account for conferences and training events.

Administration – 401

I have requested that Borough Council consider bringing the Assistant Manager position back to the community. It had existed since the mid-1900's, but was removed by my predecessor in 2003. With the Strategic Plan completed and many projects lined up for the years ahead, the additional administrative help is desperately needed to continue to move Dormont in a positive direction.

Finance – 402

No change.

Tax Collector – 403

No significant change.

Legal Services – 404

No significant change.

Data Processing – 407

Expenses for this department will decrease in 2022 with the migration to Tyler Technologies platform completed. The transition fees will all be paid in 2021, so we will only see the continuing annual fees for 2022 and beyond. The new software package is actually replacing several current software packages, so those fees will be removed for 2022 as well.

Engineering Services – 408

While there is no significant change expected for 2022, our engineer is approaching retirement at the end of that year. I recommend we have a serious conversation about the potential sale of our sanitary sewer system so we can plan the future of this position. There are several options to consider. If the Borough chooses to sell the system, the need for a full-time in-house engineer is eliminated and we can simply hire an engineer on a project-by-project basis. I have spoken to Mr. McVicar about coming back as a consultant for Dormont to manage our annual road program, which is reflected in future budgets. The Borough could also hire an engineering firm to handle the road program, but considering Mr. McVicar's familiarity with our infrastructure, he is a worthy choice. If the Borough chooses not to sell the sanitary system, there are two possible directions: hire a new in-house engineer or hire an engineering firm to manage everything.

Government Building – 409

We continue to work on facility improvements as the updates made when Dormont purchased the property are aging. I recommend we consider transforming the former Community Room into offices or storage space. This work could be completed by Public Works.

Police – 410

There is a request for an additional officer for the Dormont Police Department. There are also a couple small items needed, including a new garage door and ballistic helmets. Chief Bisignani has also priced out body cameras for the department, but their purchase would necessitate the hiring of an additional officer to handle management of digital records.

Fire Protection – 411

There is a small increase in Minor Purchases for 2022 only for some small equipment replacement that is needed. There is also a request for an additional officer to help provide more code enforcement in the community.

UCC & Code Enforcement – 413

No significant change.

Planning & Zoning – 414

The Zoning rewrite has been wrapped up (except for small corrections), but funds have been added again to fund strategic planning initiatives, including a Master Parks Plan. We will also need to begin planning for a new Comprehensive Plan.

Solid Waste – 427

We were successful in obtaining a nearly \$250,000 grant to help fund our joint glass recycling program with Mt. Lebanon, Upper St. Clair, and Bethel Park. There is a small match for the communities, but the program is largely paid for by the 902 Grant.

Public Works – 430

No significant change expected. There are several large equipment requests to replace items purchased in 2008.

Street Lights – 434

No significant change.

Stormwater Management – 436

No change expected.

Parking Meter Service – 445

No change expected.

Residential Parking – 447

No change expected.

Recreation – 451

No change expected.

Pool – 452

We have contacted several pool management firms to obtain pricing for the 2022 season.

Dept 453

No change.

Parks and Playgrounds – 454

No change expected.

Shade Trees – 455

No change expected.

Library – 456

No change expected.

Civil and Military Celebrations – 457

No change expected.

Socials Svcs Contribution – 458

No change.

Debt Principal – 471

Changes dependent on capital improvement selections.

Debt Interest – 472

See Debt Principal.

Judgements and Damages – 482

No significant change.

Insurance – 486

Final rates are not yet available.

Employee Benefits – 487

Final calculations of the MMO are not yet available.

Employee Withholding – 488

No significant change.

Property Maintenance – 489

No significant change.

Transfer – 490

The Capital Transfer line will change based on the choices made at budget meetings.

Contingency – 495

No change.

Dept 499

No current change, but as we look at more potential conservatorship projects, there may be additions. There would be offsetting revenue, but it may not be available until the following year.