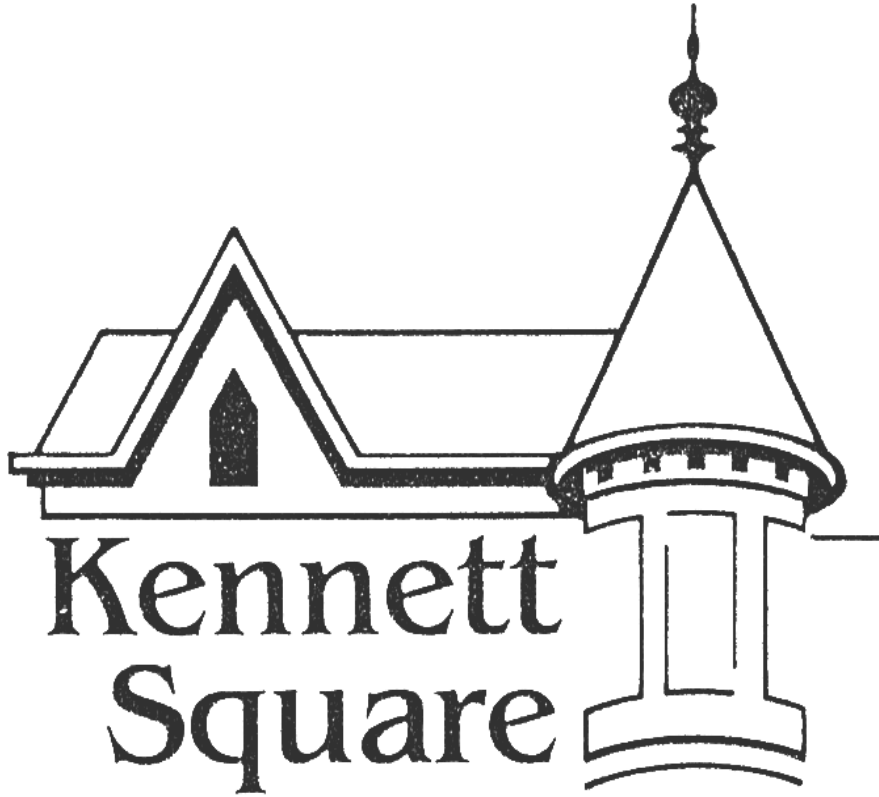


# Proposed 2021 Budget



**1<sup>st</sup> Presentation**  
**NOVEMBER 2, 2020**

# COVID-19....

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*As a result of COVID-19, expenses were cut due to an uncertainty in revenues. Capital projects and costs that could be delayed were put on hold until the impacts on revenues could be better understood.*

*Fortunately...Reserves goals for all Funds were met by the end of 2019. Council, through Strategic Planning, set this as a goal for the end of 2020.*

*As of the end of September, tax revenue is significantly higher than conservative estimates projected, and most funds are operating with revenues that aren't critically impacted.*

## Multiple Funds:

- Retired ~\$1.665M in debt.
- Interest rates on Borough bank account balances had increased significantly in 2019 but have dropped substantially in 2020.
- Replaced large dump truck with plow and spreader (split across multiple funds)
- Promoted Receptionist to Public Works Administration and hired a new Receptionist.
- Hiring a new Director of Public Works. There was no Public Works Director from Dec. 2019 to November 2020.
- Public Works employee retiring as of Dec. 31, 2020.

## General Fund:

### *Projects and purchases*

- Received a \$500,000 grant for Birch Street Storm Water improvement. Birch Street Stormwater project delayed due to COVID revenue uncertainty and grant application for larger streetscape project. Freed up \$200,000 in the 2020 budget.
- With savings in Birch Street project - pay off remaining fire truck loan balance of approximately \$90,000. Also pay off LED Street light loan of approximately \$115,000. Reduces strain on 2021 and future budgets.
- Received an \$80,000 grant jointly with Kennett Township for a Micro-transit study in the Kennett Area. Total project cost of \$100,000. Remaining \$20,000 to be split between KT and KSB in match and in-kind services.

## General Fund:

### *Projects and purchases – cont.-*

- TASA Grant – Received \$915,000 grant in 2018 for construction of facilities. Borough match is in “soft costs”. Work continued to finalize engineering and design for pedestrian and bicycle improvements between Pennock Park and Nixon Park. Design and engineering should be complete by end of year.
- Nearly \$150k in paving completed using Liquid Fuels Funds.
- Eliminated \$40,000 in contributions towards paving and guide rail installations to reduce expenses.
- Eliminated purchase of pedestrian flasher.
- KAPA Stream Bank Restoration Project phase 1 complete - which is intended to get the Borough stormwater credits and reduce our expenses in mitigating stormwater runoff.
- Replaced two police cruisers.

## General Fund:

### *Operations*

- Reduction in Special Events reduced overtime as well as income for reimbursed services and charges.
- Support of business district by closing off 100 block of E. State Street on Thursday nights and Fridays through Sundays.
- Modified RLF Loan program to support businesses with low interest loans.
- Working with County, State and Federal programs to ensure the Census is accurate.
- Contributed to year 3 of the Economic Development Director position.
- Projecting a slight use of reserve funds to retire additional debt early.

## Water:

- Received a \$343,000 CFA grant to replace water main on East South Street.
- PA DEP inspection warranted some additional modifications. All were completed and reported.
- Still working on replacing older water meters for increased accuracy.
- Projecting a \$200,000 surplus in the budget if the tapping fees come in that are projected late in the year.

## Sewer:

- The contract to upgrade the WWTP to meet our NPDES Permit limits is still being closed out. Total cost ~ \$3.5M. Upgrade also includes a new grit classifier. Plant is meeting Total Nitrogen limits as designed.
- Deferred new UV system upgrade and clarifier drive replacements to 2021.
- Pay off 2001 Del Val Sewer Note of approximately \$490,000 to reduce debt service levels in 2021 and the future.
- Refinanced debt again to save ~\$190,000.
- Projecting approximately \$300,000 surplus if tapping fees are received.



## Parking:

- Meter and parking fine revenue down significantly due to COVID.
- Reduction in personnel due to COVID. Didn't fill additional part-time position.
- Completed expansion adding approximately 96 new spaces to the existing garage.
- Refinanced debt to achieve approximately \$250,000 in savings.
- Awarded \$1,250,000 in grants. Received nearly \$1,000,000 as of the end of October. Grant proceeds going directly to pay off bridge loan.
- Added new ticket enforcement software and ticketing equipment.
- Projecting to add to fund balance if all grant proceeds can be obtained in 2020. If not, recommend paying off bridge loan with reserves.

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## Solid Waste:

- Awarded final contract extension with A.J. Blosenski for hauling services through 2021.
- Issued a \$5/quarter credit effective in June 2020.
- Solid Waste projected to use a little fund balance due to credit.

# Budgeted vs Projected

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## General Fund:

	<u>Budgeted</u>	<u>Projected</u>
Revenue	\$5,080,020	\$4,722,429
Expenditures	\$5,080,020	\$4,739,539

\*Projected Change in Fund Balance = (\$17,110)

# Budgeted vs Projected Cont.

## Water Fund:

	<u>Budgeted</u>	<u>Projected</u>
Revenue	\$1,411,774	\$1,372,200
Expenditures	\$1,411,774	\$1,157,575

\*Projected Change in Fund Balance = \$214,625

## Sewer Fund:

	<u>Budgeted</u>	<u>Projected</u>
Revenue	\$2,356,650	\$2,420,663
Expenditures	\$2,356,650	\$2,086,422

\*Projected Change in Fund Balance = \$334,241

2

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# Budgeted vs Projected Cont.

## Parking Fund:

	<u>Budgeted</u>	<u>Projected</u>
Revenue	\$1,889,958	\$1,742,928
Expenditures	\$1,889,958	\$1,676,882

\*Projected Change in Fund Balance = \$66,046

## Solid Waste Fund:

	<u>Budgeted</u>	<u>Projected</u>
Revenue	\$367,355	\$340,000
Expenditures	\$367,355	\$343,775

\*Projected Change in Fund Balance = (3,775)

2

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# Projected Reserves/Sinking Fund Totals

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<u>Fund</u>	<u>EY 2020</u>	<u>Goal</u>
General	\$614,000	\$600,080
Water*	\$830,000	\$282,355
Sewer*	\$1,450,000	\$471,330
Parking	\$642,700	\$127,990
Solid Waste	\$138,000	\$74,250

\*dependent on timing of tapping fees from development

Debt Principal Balances  
(not counting debt allocations)

2  
0  
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<u>Fund</u>	<u>2020 Retired</u>	<u>Balance</u>
• Water	\$0	\$0
• Sewer	\$1,016,000*	\$5,884,000
• Parking	\$ 230,000*	\$2,882,000
• General	\$ 419,125*	\$1,724,000

\*Proposed Debt Pay-offs in 2020 include:

- |                       |                                    |
|-----------------------|------------------------------------|
| -2001 Del Val Sewer   | -Parking Garage bridge loan        |
| -2015 Fire Truck Loan | -LED Street Light conversion lease |

# 2021 BUDGET HIGHLIGHTS

Expect some COVID impacts similar to 2020.

All Funds are balanced and include:

2.5% Raises for Police (as negotiated), 3.5% Raises for Non-Uniform.

1% increase in Health Insurance Costs. Other Insurances remain steady.



# 2021 BUDGET HIGHLIGHTS

*No Tax Increase*

*No increase in Sewer, or Parking Fees*

*Water Utility Fees continue \$15/qtr. credit*

*Solid Waste Fees an additional \$5/toter/qtr. credit*

# 2021 BUDGET HIGHLIGHTS

- Increased EMS Commission contribution by 15% (~\$40,000)
- Replacing one vacant police officer position.
- Added a Lieutenant position.
- Public Works Asst. Director retiring and not planning on replacing. Added Amin. Assistant back to Public Works in 2020.
- Kept civic contributions the same. Economic Development Director included and prorated for 10 months.
- Temporary reductions in Codes and Parking Staff.

# 2021 BUDGET HIGHLIGHTS

## 2021 Projects - Construction and Upgrades

- Paving program - \$165,000 (Liquid Fuels)
  - No additional contribution from General fund for repairs.
  
- Repairs to Parking Garage - \$55,000 (Parking Fund)
  
- Birch Street – Engineering and Capital ~\$710k (\$500K CRP Grant)
  - ~\$655k for stormwater and some sidewalks (General Fund)
  - ~\$55k for manhole and pipe improvements (Sewer Fund)

Applied for CFA Grant jointly with Kennett Twp to construct entire streetscape at one time. Won't find out if grant is awarded until Spring 2021.

# 2021 BUDGET HIGHLIGHTS

## 2021 Projects - Construction and Upgrades

- **TASA Grant** **(General Fund)**  
Pedestrian and bicycle improvements between Pennock Park and Nixon Park. Design and engineering should be complete by end of 2020. \$915,000 grant towards construction.
- **Sickles Street Traffic Calming** **(General Fund)**  
Design and install traffic calming measures along W. Sickles Street.
- **Continue installation of new water meters - \$20,000** **(Water Fund)**
- **East South Street Water Main Project – \$500,000** **(Water Fund)**  
\$343,000 CFA Grant plus \$160,000 from the water fund. Project needs full design, bid and installation.

# 2021 BUDGET HIGHLIGHTS

## 2021 Projects – Engineering/Consultants

- **MS4 Compliance** (General Fund)  
Comply with new MS4 Permit once issued.
- **Zoning Changes** (General Fund)  
To close out VPP Grant if not completed in 2020
- **Water System Risk and Resilience Plan** (Water Fund)  
EPA mandate to identify hazards and resiliency of the water system

# 2021 BUDGET HIGHLIGHTS

## 2021 Projects – Engineering/Consultants

- **Update Tapping Fees and Ordinances** (Water, Sewer)  
Water ordinance and tapping fee review and possible updates.
- **Water and Sewer System Asset Mgmt. and Master Planning** (Water, Sewer)  
\$100,000 in Water and \$100,000 in Sewer Funds  
Including GIS mapping, subsurface utility location, map compilation, water system hydraulic modeling, pipeline condition assessment, etc...
- **NPDES Permitting assistance** (Sewer Fund)  
Costs for Pennoni to provide assistance for renewal of Wastewater Treatment Plant NPDES Permit.

# 2021 BUDGET HIGHLIGHTS

## 2021 Purchases and Upgrades

- One new police car (Electric hybrid considered).
- Public Works Equipment
  - Commercial Lawn Mower
  - Skid loader
  - Pickup Truck with plow and spreader
- Public Works Truck going to Codes/Zoning Dept.
- Wastewater Treatment Plant UV System and Clarifier Drive replacements.
- Parking Garage new camera system

# 2021 BUDGET HIGHLIGHTS

## Requests/Planned Expenses Not Funded

- Increase in contribution to TMACC.
- Large Wheel Loader and Gator for Public Works Dept.
- Additional police vehicle.
- Additional vacant Police Officer position.
- Reduced requested budget for existing garage maintenance.\*
- Radio Read system for water system.
- Linden Street Pump Station Upgrade.
- General Fund contribution to paving program.
- Parking Study.



# 2021 BUDGET HIGHLIGHTS

## 2021 Debt Service

<u>Fund</u>	<u>Debt Retired</u>	<u>Debt Service Pmts.</u>
Water Fund	\$ 41,796	\$ 47,097
Sewer Fund	\$603,796	\$681,977
Parking Fund	\$ 90,932	\$117,560
Gen. Capital Fund	\$202,476	\$213,993
<hr/>		
<b>Total</b>	<b>\$939,000</b>	<b>\$1,060,627</b>

### **Total Remaining Debt Service as of:**

**12/31/2020 = \$11,048,171**

**12/31/2021 = \$ 9,987,544**

# 2021 PROPOSED BUDGET ALL FUNDS

General Fund	\$4,946,641
Water Fund	\$1,873,209
Sewer Fund	\$2,257,941
Parking Fund	\$ 507,661
Solid Waste Fund	\$ 381,169
Liquid Fuels Fund	\$ 206,048
Emergency Management Fund	\$ 327,827
<u>Gen. Capital Improvement Fund</u>	<u>\$1,133,386</u>
<b>Total All Funds</b>	<b>\$11,633,882</b>
Less Double Counted Allocations	<u>(\$1,579,895)</u>
<b>Total All Funds Less Double Counted</b>	<b>\$10,053,987</b>