



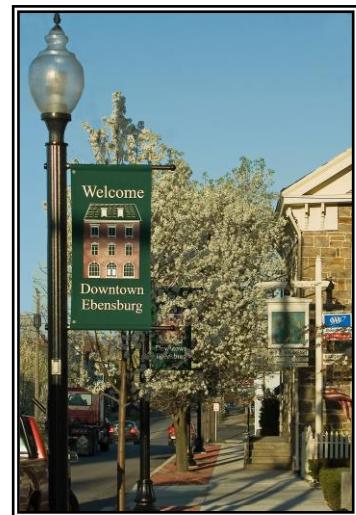
Daniel L. Penatzer, Borough Manager  
300 West High Street  
Ebensburg, Pennsylvania 15931  
Telephone: 814-472-8780  
E-Mail: [dlpen@ebensburgpa.com](mailto:dlpen@ebensburgpa.com)  
Website: [www.ebensburgpa.com](http://www.ebensburgpa.com)

November 18, 2019

Mayor Datsko and Members of Borough Council:

The 2020 Budget is respectfully submitted to the Borough Council, Mayor Datsko and residents of Ebensburg Borough. This budget complies with the Borough Code and the requirements of the Commonwealth of Pennsylvania. It represents our commitment to strong financial management practices, and our strategic plan for continued growth and a sustained future.

The 2020 Operating Fund Budget is a comprehensive document that addresses the anticipated revenues and expenditures for ALL borough operations including general government, police, streets, wastewater system, water system, stormwater system, recreation programs, community development and capital funds. For accounting purposes, all operations are managed within a single operating fund. For illustration purposes, this Budget document also contains "snapshots" of each of these separate operations.



The annual budget document is the single most important policy document adopted by Borough Council each year. The budget guides the management of the Borough throughout the year by clearly setting forth the goals and objectives of the Council for the coming year and authorizing the programs that will be carried out to meet those objectives. The budget document also sets forth the management plan for implementing the programs and achieving the community goals and objectives. As Council's number one policy statement, the budget accomplishes the following:

- Economic development initiatives are pursued
- Service levels are set
- Partnerships are nourished
- New technology is acquired
- Community security is enhanced through public safety
- Borough employees are supported in delivering efficient and effective services
- Public infrastructure is built and maintained
- Recreation for citizens is provided
- Public health is protected by recycling, waste collection and water resources

- Reliability of utility services is funded
- The Borough's financial integrity is maintained to meet service and debt obligations
- Customer service is enhanced
- Improved quality of life is sought for all citizens

The budget sets the annual operating and capital budgets, as well as, the capital improvement program for the next ten years. The budget and capital improvement program recognize the importance of well-planned improvements and replacements that are necessary to protect the Borough's public facilities. Therefore, the budget document not only serves as a policy guide for the coming year, but it also establishes a long-range planning document that provides the framework for sound financial decision-making and establishes the foundation for a strong and dynamic future for the community.

The 2020 Operating Budget calls for revenues of \$6,053,740 and expenditures of \$5,892,610. The general fund budget is balanced with no increase in real estate taxes. This is the 10<sup>th</sup> consecutive year without a tax increase for general purposes, and the 9<sup>th</sup> consecutive year without a tax increase for any purpose; the last being in 2010 for the swimming pool debt.

	Revenues	Expenditures	Surplus
General Fund Budget	\$2,149,240	\$2,072,400	\$76,840
Water Fund Budget	\$1,745,500	\$1,726,250	\$19,250
Wastewater Fund Budget	\$1,933,000	\$1,867,960	\$65,040
Stormwater Fund Budget	<u>\$ 226,000</u>	<u>\$ 226,000</u>	<u>\$ 0</u>
Total Operating Fund	\$6,053,740	\$5,892,610	\$161,130

The General Fund Budget is decreased by 3.5%. The decrease is due to an inordinate amount of County Aid Liquid Fuels having been budgeted in the prior year for street resurfacing.

The Water Fund Budget is increased by 4.5% due to contracting water plant operations in 2020. The Wastewater Fund Budget is 1.7% below 2019.

Overall, the 2020 Operating Budget represents a decrease of 0.59% from 2019.

With the exception of a County Aid anomaly in the General Fund, and adjustments reflecting the cost of contracting operations at the water plant, expenditures in all funds remain fairly consistent, reflecting our commitment to control expenses while ensuring the continued delivery of services in the most cost-effective manner.

	2019	2020	Change
General Fund Budget	\$2,149,200	\$2,072,400	-3.57%
Water Fund Budget	\$1,651,970	\$1,726,250	4.50%
Wastewater Fund Budget	\$1,900,310	\$1,867,960	-1.70%
Stormwater Fund Budget	<u>\$ 226,000</u>	<u>\$ 226,000</u>	<u>0%</u>
Total Operating Fund	\$5,927,480	\$5,892,610	-0.59%

**BASIC POLICIES AND ASSUMPTIONS**

- A basic premise in preparing the 2020 Budget is that there will be no increase in real estate tax rates to fund day-to-day operations.
- It is the Borough's policy to estimate revenues conservatively.
- A two-tier real estate tax will be maintained.
- Existing levels of service shall be maintained.
- It is the Borough's policy to minimize borrowing. Borrowing is for capital expenditures and only when sufficient current funds are not available or municipal needs are unable to wait until current funds are available.
- Program fees charged for specialized services such as the swimming pool, tennis center and YPCC will be adequate to cover expenses associated with such programs, while keeping the program affordable. While a subsidy from general funds for these departments is acceptable, the optimal goal is self-sufficiency.
- The Borough will budget adequate funds to maintain all its assets at a level which protects the borough's capital investment and minimizes future repair and replacement costs.
- The Borough will project its equipment and vehicle replacement needs for the next ten years and will update this projection each year.
- All departments will budget contributions to Capital Reserves based on their estimated future share of costs for the replacement of vehicles and equipment, and for future maintenance and improvements to borough-owned facilities and buildings.
- Utility fees will be set at a level that fully supports the direct and indirect costs of providing service, including funding of Capital Reserves.
- The Salary & Wage Schedule will be adopted by Resolution of Borough Council annually.
- Idle cash will be invested on a continuous basis in legal, safe investments with adequate liquidity and yield.
- All department heads will actively pursue all State, Federal and private grant sources available for major equipment purchases and projects.

- Water and sewer tap fees will be placed in Capital Reserves for capital improvements to those systems.
- The appropriate departments will be assessed the actual stormwater fee associated with their operations.

## **REAL ESTATE TAX**

Ebensburg Borough utilizes a two-tier real estate tax assessment. A higher rate is applied to land than is applied to buildings. This form of assessment encourages the development of vacant land and does not penalize property owners for improvements made to properties.

The total taxable real estate assessment is \$34,866,530 comprised of assessed land value of \$6,343,600 and assessed building value of \$28,522,930. The rate of collection is based on a 15-year average. 26% of the property in Ebensburg is non-taxable.

The 2019 tax rates are 33.25 mills on land and 8.5 mills on buildings. This is the equivalent of a 13.0 mill real estate tax in conventional terms. That 13.0 mills of real estate tax is used for the following purposes:

Conventional Millage Rate	
General Purposes	12.5 mills
Stormwater	<u>0.5 mills</u>
Total Mills	13.0 mills

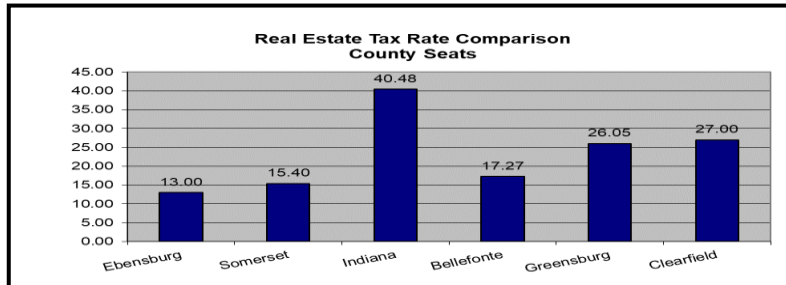
On a two-tier basis, the tax rates of 33.25 mills on land and 8.5 mills on buildings are divided as follows:

Tiered Millage Rate	
General Purposes	30.75 mills on land & 8.5 mills on buildings
Stormwater	2.50 mills on land
Total	33.25 mills on land & 8.5 mills on buildings

The following demonstrates how the calculation of the two-tier tax rate compares to the calculation of a conventional tax rate.

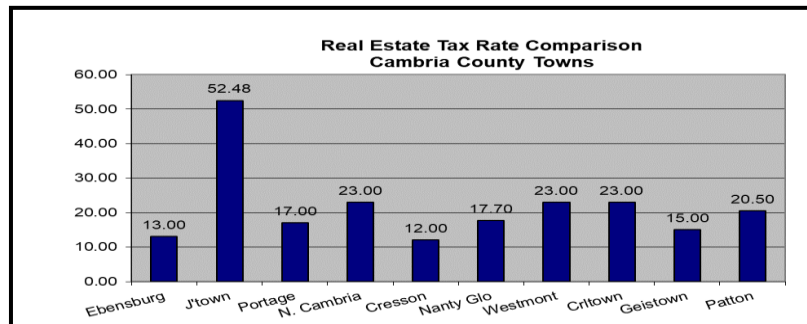
	Assessed Value	Millage Rate	Revenue Generated
Land	\$ 6,345,030	33.25	\$210,972
Buildings	\$28,603,640	8.50	<u>\$243,130</u>
Total			\$454,102
Combined	\$34,948,670	13.00	\$454,333

The chart illustrates the 10-year history of real estate tax collections in Ebensburg. 2020 will represent the 10<sup>th</sup> consecutive year without any change in tax assessments for general purposes. The last tax increase was in 2010 for the swimming pool debt.

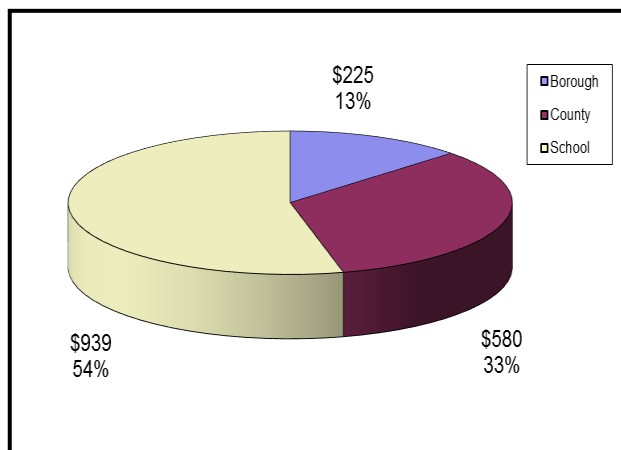


The chart is a comparison of Ebensburg Borough's real estate tax rate to other county seats in the region.

The chart is a comparison of Ebensburg Borough's real estate tax rate to other Cambria County boroughs and Johnstown.



## COMPARISON OF TAXING AUTHORITIES



The 2019 average property assessment for residential property in Ebensburg Borough is \$17,383. Thus, the average taxpayer pays approximately \$226 (13 mills) per year for borough services. This funds the most basic borough services such as police protection, fire protection, street sweeping, snow plowing, street resurfacing, traffic signals, recreation, leaf collection, playgrounds, street lighting and other similar activities.

These borough services, and the corresponding borough property tax, represent only 13% of the total property tax bill paid by borough taxpayers. Thirty-three (33%) percent of taxes paid by borough taxpayers goes to county government (33.5 mills), and fifty-four (54%) percent goes to the local school district (54.25 mills).

## **OTHER TAXES**

All Act 511 taxes will remain the same in 2019. The Act 511 taxes are as follows:

- 1.0% Realty Transfer Tax
- 1.0% Earned Income Tax
- \$47.00 Local Services Tax

## **2019 SUCCESSES**

Ebensburg Borough has enjoyed remarkable change over the previous two decades. Each and every Council during that period has changed the face of Ebensburg, each completing projects begun by their predecessors and undertaking their own new initiatives. Those notable accomplishments of past Councils include the YPCC, Memorial Field, Tennis Center and skate park projects; annual sidewalk replacement projects; the downtown streetscape project; the Saltlick waterline and inter-municipal connections; wastewater plant and collection system upgrades; new playgrounds; new downtown events; and multiple shared projects and purchases.

The current Borough Council, despite planning a relatively light project load due to the ongoing wastewater project, continued that progressive spirit with even more initiatives. In 2019, Borough Council accomplished the following:

- 1) Replaced the large 1999 International dump truck.
- 2) Installed stormwater collection at east end of Ogle Street.
- 3) Installed stormwater collection on West Lloyd and South Julian Streets.
- 4) Replaced a sewer main along Virginia Street.
- 5) Obtained a historical designation for entire downtown.
- 6) Installed a new water main on Laurelbrook Road in Crestwood Estates.
- 7) Coordinated simultaneous projects replacing gas, sewer and stormwater lines.
- 8) Completed installation of new curbs and sidewalk on Caroline Street, Triumph Street and Marian Street.
- 9) Milled and resurfaced all streets in southern half of town.
- 10) Replaced a zero-turn mower.
- 11) Completed conversion to LED of all streetlights and parks.
- 12) Replaced a Ventrac mower.

## **GRANTS AND LOW-INTEREST LOANS**

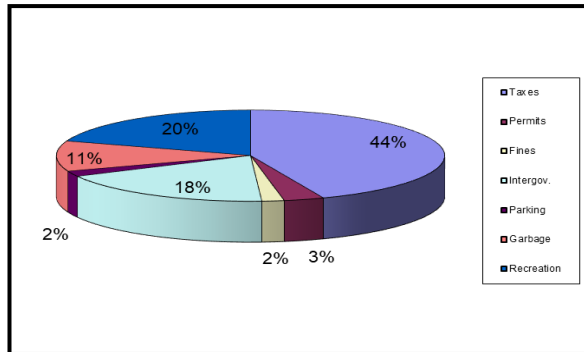
Borough Council has actively sought grants and low-interest funding for many projects. In 2019, there were no projects for which any funding application has been submitted.

## **DEBT ANALYSIS**

Ebensburg Borough guarantees several loans on behalf of the Ebensburg Municipal Authority. As the Authority loans are self-liquidating, they are not included in the Borough's debt statement. In 2019, Ebensburg Borough is debt free.

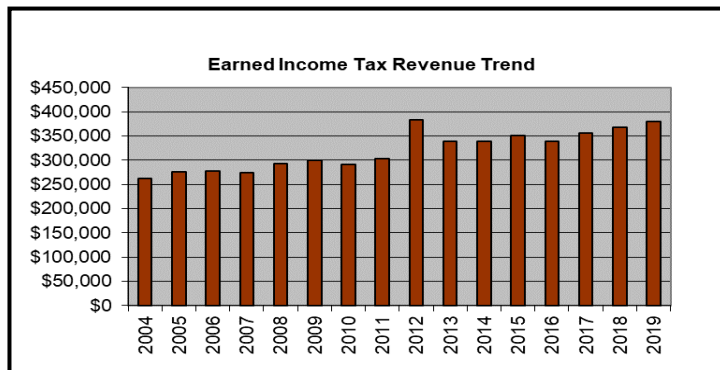


## ANALYSIS OF GENERAL FUND REVENUES



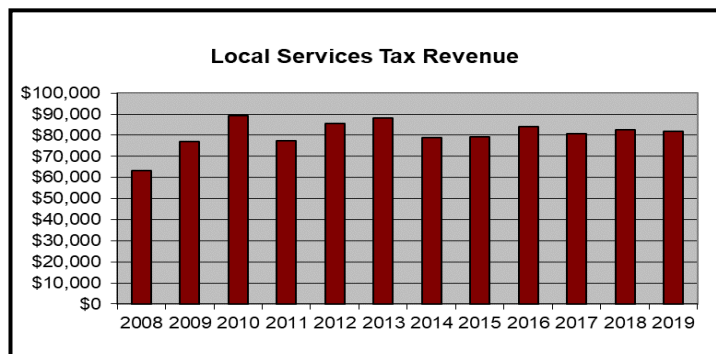
This chart illustrates the breakdown of revenues into the general fund. Obviously, taxes make up the greatest percentage of revenue. Ebensburg's combined recreation programs remain a significant source of revenue, constituting 20% of total revenues. It is important that those recreation related revenues be monitored throughout the year to be certain that we are meeting our budgeted goals.

**Real Estate Transfer Tax** – The real estate transfer tax is a 1% tax on property transfers within the borough. The chart illustrates the recent history of revenue generated by this tax.



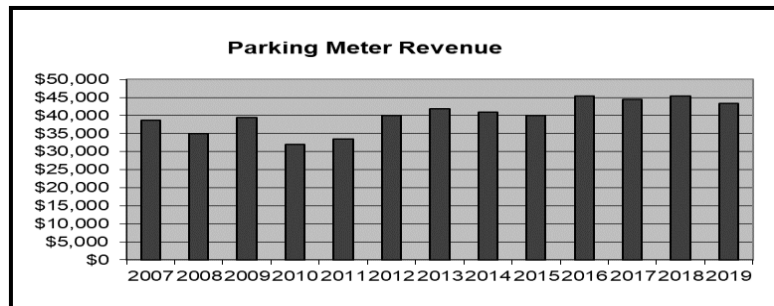
**Earned Income Tax** – The earned income tax is a ½ percent tax on all earned income. 2012 was the first year that the EIT was collected on a county-wide basis by a single tax collector. The new rules on frequency of collections resulted in an anomaly making the 2012 total higher than normal.

**Local Services Tax** - The local services tax is paid by all persons employed within Ebensburg Borough. The tax is \$52 per year. \$47 is paid to the borough and \$5 to the school district.

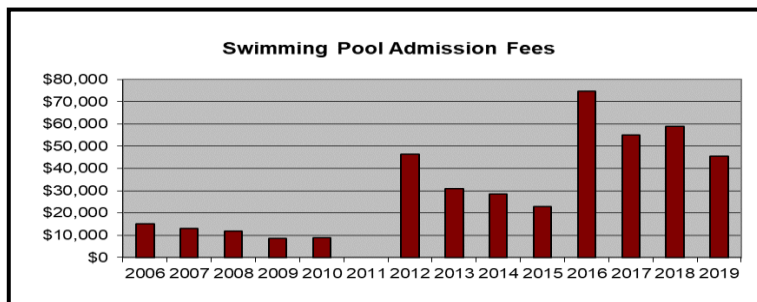


Parking – The revenue generated from parking meters has never been looked to as a source of revenue for the borough. The only reason that the parking meters exist is to help assure that vehicles are rotated through the limited number of available parking spaces, making parking available for visitors to downtown Ebensburg.

It is important that the revenue generated by the parking meters covers the ongoing cost of enforcement, the capital costs of the meters and stations, the maintenance of same, and the parking lot lease cost. The annual cost of enforcement is approximately \$18,700. Annual maintenance is less than \$1,000. The parking lot lease is \$13,200. The capital cost of meter replacement varies and is addressed in the capital budget.

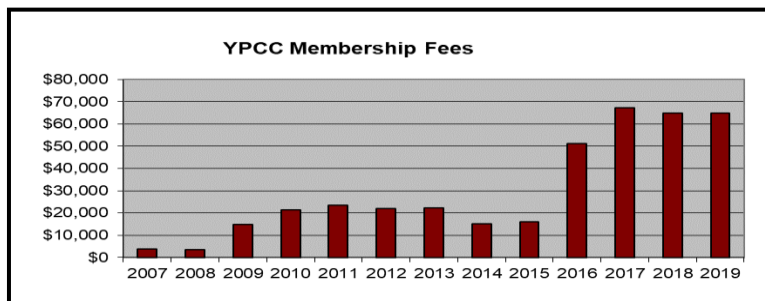


Swimming Pool – Revenue from swimming pool annual and daily passes has varied greatly over the last decade. Prior to the new pool, revenues were poor and decreasing annually. The pool was closed in 2011 during the construction project and reopened in 2012 to revenues more than five times what they were in 2010. Annual admission dropped considerably in 2013, as could be expected, but continued to decrease in 2014 and 2015. New management, a full summer of excellent weather, and the temporary closing of two other nearby municipal pools resulted in a 324% increase in 2016.



Staff is comfortable that, with average summer conditions, admission fees at the pool should remain at approximately \$50,000 annually. The 2020 budget contains a conservative estimate of \$45,000.

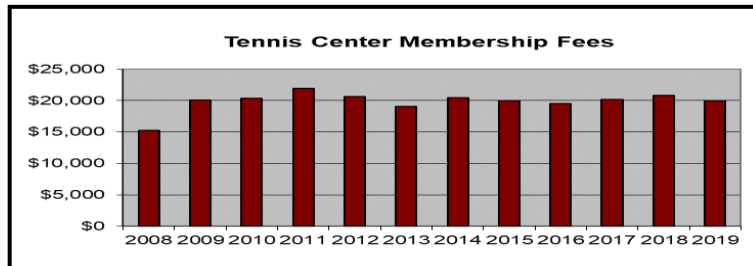
YPCC – YPCC membership fees have also varied over the decade. Memberships drastically increased in 2009 when the fitness center was introduced and continued to grow for three years. As the fitness center became outdated and other privately-owned centers were opened, membership fees decreased.





New management, new fitness equipment, better equipment maintenance, and stricter adherence to facility membership rules resulted in a 280% increase in 2016 membership fees. In 2017 new cardio equipment was added.

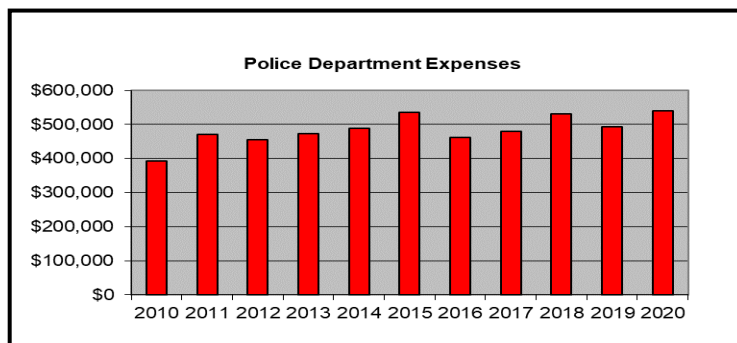
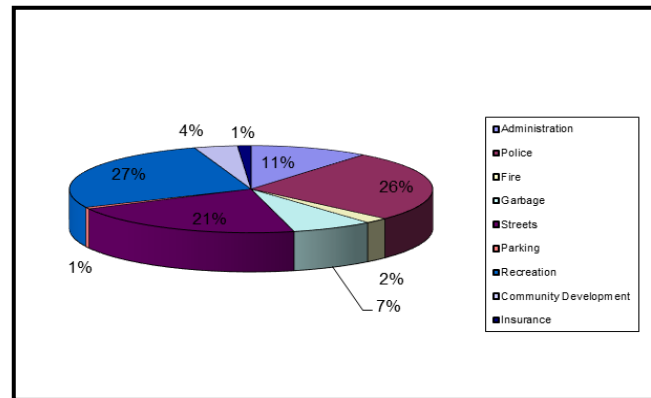
The 2020 budget estimates remain conservative. It will be important to assure in the future that the fitness equipment is properly maintained, and that equipment is updated or replaced as necessary.



Tennis Center – Membership fees at the tennis center have remained fairly consistent over its twelve years of operation. The cost of tennis memberships was increased 10% in September 2017.

## ANALYSIS OF GENERAL FUND EXPENDITURES

This chart illustrates the breakdown of expenditures from the general fund. The cost of recreation, despite the elimination of debt service for the swimming pool, remains Ebensburg's largest budgeted expense (\$562,810) followed by police (\$550,870).



Police Department – The cost of providing police protection increased in 2018 with the addition of the fifth full-time officer, but that increase was offset by the significant decrease in pension costs in the uniformed pension plan. Costs decreased overall in 2019 due to a vacancy in that full-time force.

The budgeted cost in 2020 equates to nearly 16 mills of real estate tax. Ebensburg's tax rate is only 13 mills.

It is critically important that the cost of employee benefits, especially healthcare and pension, be monitored in future years. Council's ability to continue to staff a fifth full-time officer position will depend greatly on the future cost of those benefits. Council should continue to negotiate higher employee contributions to the cost of healthcare and should continue to require employee contributions to the pension plan.

Recreation – The 2020 Budget contains five sections devoted to recreational facilities.

YPCC – Since its inception, the YPCC has required a significant subsidy from the general fund in order to pay for day-to-day operational costs. That subsidy was as high as \$88,000 in 2015. In addition, the general fund was paying \$48,000 annually in debt service and reserves \$10,000 annually to capital reserve. The remaining YPCC debt service was retired in late 2017.

New management at the YPCC has improved the fitness center, enforced regulations, improved billing for membership renewals, initiated new and additional programs, and improved accounting practices. As a result, and coupled with retirement of the debt service, the YPCC's annual subsidy has averaged less than \$25,000 since 2016.



In 2019, a cap was placed on the number of teams able to register for leagues. While that increased efficiency at the YPCC, it decreased the program revenues. The 5-year lease on the fitness equipment expired in September 2019, freeing up an additional \$14,000. As a result of all changes, the 2020 budgeted subsidy remains \$24,000.

Considering the amount of activity at the YPCC and the high percentage of our population served by the center's programs, Council remains comfortable subsidizing its operation, as necessary.



Swimming Pool – The swimming pool has also historically required an annual general fund subsidy. That subsidy varies greatly from year to year depending primarily on weather. While revenues increased drastically when the renovations were completed in 2012, they have gradually declined since then. The annual subsidy for the swimming pool is approximately \$31,000.

Parks – This line item covers the operation, maintenance and electricity for Kimball Park, Penn Eben Park, Veterans Park, Memorial Field, Lake Rowena and the three playgrounds.



Tennis Center – Ebensburg's Tennis Center has continued to grow its programming and has been able to reliably support its own operation. In 2019, it will again see a small surplus of \$15,000. In 2020, though the 2020 budget anticipates a deficit of \$9,500, normal operations will likely cover that deficit.

Skate Park – The skate park is not expected to generate any significant revenue, nor incur any significant cost. Program fees assessed for leagues and tournaments will be sufficient to cover unusual costs for those events such as electricity and staff.



Highways – There have been no street paving projects undertaken since 2014, in anticipation of the wastewater project. In 2019, streets south of High Street were finally milled and resurfaced. That \$525,000 contract was paid for with funds from County Aid, Peoples Gas, and \$125,000 from Liquid Fuels. At the end of 2019, a balance of approximately \$559,000 will remain in the Liquid Fuels account.

In 2020, once the gas project and sidewalk and curb project are completed in the northeast corner of town, another contract will be awarded for milling and resurfacing of those streets. The remaining Liquid Fuels funds should be adequate to cover those resurfacing costs.

Street milling and resurfacing of streets in the northwest corner of town will occur in 2021 following gas and sidewalk projects in that corner.

Timber Management – Ebensburg owns over 1,300 acres of property in the borough and Cambria Township. Approximately 800 acres of that is populated with various types of standing timber. The last sale of timber was in 2018. The borough retains a forester to manage the timber, and to provide advice on management practices.

Community Development – Events in Ebensburg such as PotatoFest, Wheels & Wings, Dickens of a Christmas, Homecoming and Art in Bloom will continue to grow and have a very positive impact on the community.

Capital Improvement Program - The Borough Council places great importance on adequately funding a comprehensive capital improvement program. The capital reserve fund allows Council to undertake unanticipated projects and incur unexpected costs without negatively impacting the annual operating budget.

Regardless of any difficulties experienced in balancing an annual budget, the importance of continuing to fund a capital reserve fund must be recognized.

## **ANALYSIS OF UTILITY-RELATED FUND REVENUES**

The 2018 and 2019 budgets described rising concerns about water and wastewater revenues and warned of rate adjustments that would be required in the near future. The sections below explain those concerns, none of which yet impact the 2020 budget.

Wastewater System – There are three factors looming in the near future that will affect wastewater revenues, none of which are addressed in the 2020 budget.

First, the facility-owned wastewater collection system at the Ebensburg Center is in such poor condition, and allows so much stormwater to infiltrate, that a surcharge has been added to the facility's bill for many years. The surcharge alone has averaged \$54,000 annually. Repairs are ongoing at the facility and should greatly reduce the amount of infiltration. While that is good news for the treatment plant's capacity, it is bad news for wastewater revenues.

Second, efforts are underway to permanently close Ebensburg Center. That is not likely to occur in the near future, but if and when it eventually happens, the loss in wastewater revenue will be in excess of \$130,000 annually.

Third, customers who fail to make the required timely repairs to their private sewer laterals are now surcharged between 35% and 100% of the normal charge until repairs are made. Revenue from surcharges in 2019 will be approximately \$145,000. The assessment of surcharges will continue throughout 2020, but it is impossible to estimate what that amount might be. So, while additional revenue from surcharges can be expected, surcharges are not included in the 2020 budget.

The wastewater budget carries a sufficient surplus, and a rate adjustment is not necessary.

Helping to offset any future loss of revenue is the amount currently being reserved annually toward the upcoming wastewater project. \$495,000 is being reserved every year specifically for the project and eventual PENNVEST debt service. The terms offered for the \$9 million PENNVEST loan include an interest rate lower than expected (1% for the life of the loan), and a longer term (25 years vs. 20 years). As a result, annual debt service will be only \$414,335; not the anticipated \$495,000. Further, it appears at this point that the actual debt will be less than the approved \$9 million, resulting in an even lower debt payment. Once the project is closed and the debt amortized, a decision can be made then whether rates should be lowered, or if the excess rate should be redirected to help cover the loss of the revenues described above.

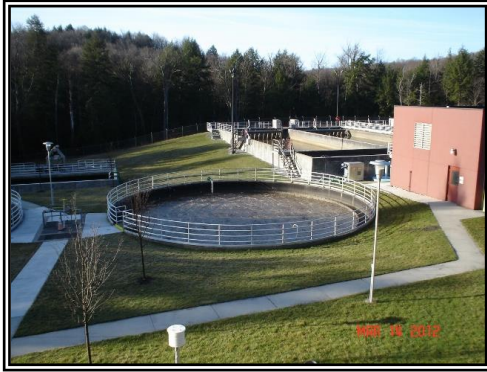
Water System – There are three factors that will affect the water system revenues as well.

First, if the closure of Ebensburg Center occurs, the loss in revenue sales would be approximately \$80,000 annually.

Second, Ebensburg Center is also making repairs to its own water distribution system, which has been plagued by water leaks. Already, their repairs have resulted in annual savings of \$30,000. Again, while that is good news for Ebensburg Center, it is bad news for our own water sales. Continued repairs will result in lower sales.

Third, Cambria Care has taken measures to decrease the amount of water purchased. For example, their laundry now recycles water. Annual sales to Cambria Care are down more than \$60,000 annually. Only a small part of that loss of revenue is being made up for through new customers, as overall system revenue growth is stagnant.

## **ANALYSIS OF UTILITY-RELATED FUND EXPENDITURES**



Wastewater System – A major wastewater system replacement project was begun in 2018 and completed in 2019. The project was aimed at separating all stormwater from the wastewater system, allowing the combined sewer overflows to be eliminated. The \$9M project is being funded with a PENNVEST loan with an interest rate of 1% over 25 years.

A wastewater rate increase was implemented in 2013 in anticipation of the project. The balance of the required increase was imposed in 2016. All revenue generated by those rate increases is being held in reserve for the wastewater project. Those reserved funds have paid for the design and engineering costs, and a small portion of other project costs.

The debt service for the wastewater project is not addressed in the 2020 budget, but rather the reservation of funds for the project continues. The debt service to PENNVEST will not be due until the project is closed and a final debt payment is calculated. Once amortized, those funds already budgeted for the project reserve will simply be redirected to debt service.

Some project-related work remains to be completed. For example, the Wilmore Road CSO needs to be closed and additional pipe installed toward the treatment plant. Drain lines from the old system will need to be installed on East High Street and West Sample Street. Once the County replaces its sewer main from the prison, an evaluation should be performed on the Authority's main from Manor Drive to Route 22.

Water System – There is a list of localized repairs, some of which need to be completed prior to the planned resurfacing in the northeast corner of town.

The list of localized repairs includes a short section of 1½" pipe on Arbor Street; a new 6" main in the 400 and 500 blocks of North Spruce Street with a new hydrant; and the replacement of an 8" main between Cambria Care and Windy Valley Road.



The water infrastructure is also in need of improvements.

- 1) New check valves and raw water valve are needed at the treatment plant.
- 2) Revisions to the permanganate system are necessary.
- 3) Additional SCADA programming is required.
- 4) The check valve at the Saltlick pump station needs replaced.
- 5) A chlorine meter should be installed at the Ogden pump station.



While not addressed in the 2020 Budget, the Municipal Authority should conduct a water system evaluation and capital needs study. For example, the low-pressure storage tanks were constructed around 1900 and should likely be replaced. A redundant elevated storage tank should be considered.

In 2020, Inframark will assume responsibility for operations at the water treatment plant. A new 3-year contract covering both the wastewater and water plants will begin on January 1<sup>st</sup>. Contracting operations at the water plant achieves several benefits.



1. Eliminates the need to fill a vacant public works position created in 2019.
2. Assures continuity of oversight through upcoming retirements.
3. Assures an adequate level of certified staffing at the plant.
4. Assures that the plant is staffed by certified operators during periods of paid time off and weekends.
5. Improves operations with established written SOPs.
6. Provides a program of preventative maintenance rather than reactive.
7. Provides a cadre of industry professionals and engineers for problem-solving.
8. Assures compliance with ever-changing regulations.
9. Eliminates the ongoing personnel difficulties encountered in Public Works with requiring certification.
10. Results in a savings of \$11K in annual wage for each future hire, as the higher rate for certified workers is eliminated.

The current operator at the water plant will be hired by Inframark, decreasing the current borough staff by one. Some economy of scale is achieved as the two treatment plants can each be monitored from the other because of the shared SCADA systems, overall oversight of staff at both plants can be done by a single manager, and lab related tasks can be shared.



Stormwater System – New stormwater management fees were implemented in September 2014, and the full rate was imposed in 2016. Each department within the Borough is now assessed stormwater fees, just like all other private property owners. A small portion of the fees is retained by the borough for contracted maintenance, and the balance is reserved for future projects.

Small localized projects have already been completed and paid for with these stormwater fees including the North Beech Street project and the East Triumph Street project. In 2019, the stormwater fees were used to install new stormwater basins and discharge pipe at the end of East Ogle Street; and to install a new stormwater collection system on West Lloyd Street and South Julian Street. Stormwater fees were also utilized to pay for stormwater improvements along South West Street as part of the wastewater project.



In 2020, several stormwater basins on Sample Street and Crawford Street will be replaced in advance of the paving project in that area of town

Within the next few years, the Municipal Authority will likely begin design on a major stormwater improvement project affecting several areas of town.

## STATUS OF COUNTY SHARED PROJECTS

County Parking Lot – The borough undertook the resurfacing of the county parking lot in 2017. The county agreed to reimburse the borough for the cost of the paving contract plus the cost of striping materials. In 2019 the Borough finally undertook a paving project that was eligible for County Aid, and all funds due from the County were received and spent.

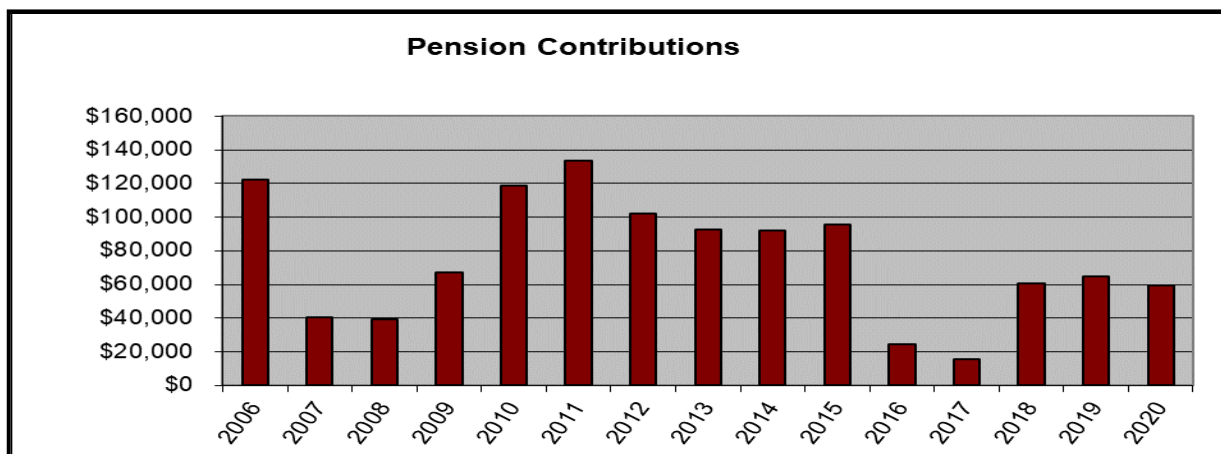


Prave Parking Lot – The Prave parking lot is actually two separate parcels, one owned by the borough and one by the county. The parking spaces need to be relined. The county has agreed to purchase all thermo-plastic materials, and the borough will reline the lot in 2020.

## HUMAN RESOURCE FACTORS

Labor costs obviously affect all departments. It is important to understand historical trends relative to labor and strive to control those costs.

Pension Plans – Both employee pension plans have realized significant recovery from the depressed market conditions that resulted in the need for the borough to expend considerable sums on employee pensions. The borough share that had once exceeded \$130,000 was below \$25,000 in 2016 and 2017 and is now hovering around \$60,000.



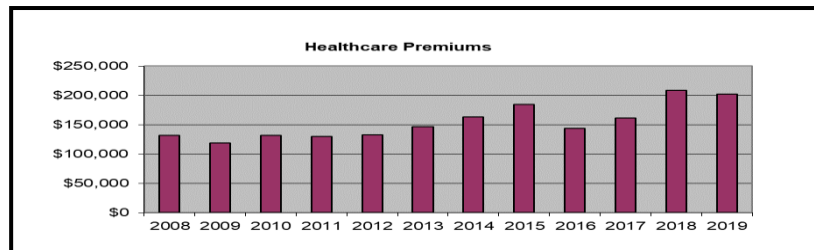
The employee contributions to both pension plans remains at 3% in 2020.

Despite better investment returns, a major financial concern facing Ebensburg Borough in the future will continue to be the cost of employee pensions. Over the last ten years, pension contributions have totaled \$860,000.

Employee Healthcare – Increases in the cost of employee healthcare have had a drastic impact on everyone in the public and private sectors. The first half of the decade saw double-digit increases in premiums each and every year. Borough Council has acted responsibly and proactively to contain those costs to the extent possible, including:

- a. Negotiated higher co-pays and deductibles in labor contracts.
- b. Negotiated an escalating employee contribution toward healthcare. What began as 5% in 2007 gradually rose to 15% in 2014 for AFSCME and non-union employees. Employees also contribute 50% of the cost of future increases in dependent coverage. The FOP labor agreement includes a provision that will increase employee contributions from 5% in 2016 to 8% in 2019.
- c. Switched healthcare insurers several times to assure the lowest available premium.
- d. Incentivized employees to acquire healthcare coverage on spouse plans.
- e. Reduced the workforce by two employees over the period.
- f. Eliminated dependent healthcare for non-uniform employees hired after 2014.

In 2019 we planned for a 10% increase in premiums. The actual renewal contained a 5% decrease. In 2020 we have budgeted for a 10% increase in healthcare costs.



## **FUTURE SIDEWALK PROJECTS**

Since the annual YPCC debt service was retired in 2017, that \$48,000 obligation has been budgeted to the sidewalk reserve. In 2018, the swimming pool debt was also retired, and \$77,000 of that previous \$96,000 obligation has been budgeted to the sidewalk reserve.

In 2018, Council approved the design of a major sidewalk improvement project on Horner Street, Crawford Street, Sample Street, Caroline Street, South Marian Street and West Triumph Street. The design costs were paid from the sidewalk reserve. All required permitting, including HOP and E&S, have been secured.

In 2019 sidewalk and curb construction was completed on South Caroline Street, South Marian Street and West Triumph Street. In 2020, as soon as the gas project is completed in the northeast corner of town, a contract will be awarded for sidewalk and curb replacement for the second phase of this project, all areas east of Center Street and North of High Street. In Fall 2020, those same streets will then be milled and resurfaced.

While work on the gas project in the northwest corner of town will occur in 2020, it will be too late in the year to complete sidewalks and curbs in that area, or to mill and resurface streets. A sidewalk and curb project in the northwest quadrant will not occur until 2021.

Both sidewalk projects on the two northern quadrants will be financed over a five-year period. The amount currently being reserved annually will then be redirected to cover that debt service.

## **SUSTAINABLE COMMUNITY CERTIFICATION**

The Sustainable Pennsylvania Community Certification, a project of the Pennsylvania Municipal League, is a voluntary performance recognition program designed to help municipalities achieve sustainability goals, which in turn will allow them to save money, conserve resources, and encourage innovation. The program is intended to bring recognition to municipalities that are applying the policy and practice of sustainability; municipalities that incorporate sustainable practices into their operations also foster community prosperity. The program provides communities with an online structure and performance platform for recognition as they adopt sustainable policies and practices. The program helps municipalities progress from whatever their municipal practices are or have been in the past toward achieving a Sustainable future.

During 2020, Borough staff will receive training in the certification process, employ measures and take steps to eventually achieve certification for Ebensburg Borough.

## **MAJOR OBJECTIVES IN 2020**

The purpose of borough government is to serve the residents and property owners of the community. This requires the various departments of the Borough to do their share in providing a livable community in all respects (physically and socially). The community needs a sound infrastructure to serve its residents and property owners, as well as, to protect property values in the future. The Borough must also protect its residents and property owners, as well as, their properties. The Borough must provide a social atmosphere that will encourage the community's viability in the forms of recreation, social services, aesthetics, sound economic base and responsiveness to community problems. Finally, borough government has a responsibility to inform the public of its activities and plans to permit the residents and property owners the ability to assess the effectiveness of their government and make known their opinions.

There are four basic divisions for accomplishing the above:

1. General Government
2. Protection of Persons & Property
3. Public Works
4. Culture & Recreation

## **GENERAL GOVERNMENT**

The basic functions of the Borough need a variety of support and coordinating services to permit them to operate. These services also act as the implementation arm for Council's policies. These services include administration, finance, tax collection, facilities, community development, and professional services such as legal, engineering and accounting. The objectives in 2020 include:

### Administration

- Provide training and educational opportunities to elected officials including conferences and seminars sponsored by the Pennsylvania State Boroughs Association (PSAB).
- Provide training and educational opportunities to management including municipal management conferences and seminars offered by PSAB, Association for Pennsylvania Municipal Management (APMM), International City/Municipal Managers Association (ICMA), and PA Municipal League (PML).
- Continue inter-municipal cooperation with neighboring municipalities in the areas of recreation, comprehensive planning, and economic development.
- Begin process of obtaining sustainability certification.

### Community Development

- Continue to implement the Main Street 4-point Approach to downtown revitalization; economic restructuring, organization, design and promotion.
- Obtain a new series of Façade Improvement funds for downtown improvements.
- Continue improvements to the community website.
- Continue publication of borough newsletter twice per year.
- Continue efforts to maintain a college intern on staff throughout the year.
- Promote the recent historic district designation.
- Assist with the development of the former prison.
- Continue to solicit funding sources for future Welcome to Ebensburg signs. Sites remaining are South Center Street, Manor Drive and North Center Street.
- Replace the brown lettering on the Welcome to Ebensburg signs with white lettering to increase visibility.
- Refinish benches, bollard lights, trash receptacles, pole bases as needed.
- Complete downtown wayfinding signage along Ghost Town Trail.



## **PROTECTION OF PERSONS & PROPERTY**

The Borough provides or finances a variety of services to protect the public and property including police protection, parking enforcement, fire prevention and suppression, emergency management, codes enforcement, planning and zoning, and solid waste collection and recycling. The objectives in 2020 include:

### Police Protection

- Continue to provide educational opportunities for police officers.
- Monitor use of part-time officers in order to remain within budgetary limits.
- Convert from paper to E-Citations.
- Upgrade parking meter caps.

### Codes Enforcement

- Maintain strict enforcement of property maintenance regulations.
- Continue strict controls on neglected grass and weeds.

### Solid Waste Collection & Recycling

- Advertise for bids for garbage collection and recycling for 2021-2023.
- Increase public education for the voluntary curbside recycling program, providing receptacles and encouraging maximum participation.



## **PUBLIC WORKS**

The Borough maintains a 15.2-mile road network, storm sewers and numerous buildings and structures. In addition, the Borough maintains the water, wastewater and stormwater systems on behalf of the Ebensburg Municipal Authority. The objectives in 2020 are:

### Facilities

- Reduce door opening size at Babcock and add new doors.
- Install metal siding on lower storage building at Babcock.
- Update the property appraisal.
- Reline the Prave parking lot, the municipal parking lot, and the municipal building parking lot.



### Highways

- Complete a street resurfacing project on streets in the northeast quadrant following completion of the sidewalk and gas projects.
- Provide efficient snow removal services.
- Patching and sealing of streets using coalition's hot asphalt equipment.
- Continue the annual replacement program for old street signs and posts, in compliance with retro-reflectivity policy.
- Replace street signs and posts on streets south of High Street.
- Replace a 250 pickup truck.
- Replace a 550 dump truck.

### Sidewalks

- Begin annual phased replacement of red brick patterned walks and sealing in downtown.
- Undertake replacement of sidewalks and curbs on North Caroline Street, East Horner Street, East Crawford Street and East Sample Street.



- Establish line of credit, as needed, for the sidewalk project in northeast quadrant, with intent to increase in 2021 for northwest quadrant.

#### Water System

- Convert to contracted operations at treatment plant with Inframark.
- Perform localized line repairs on Arbor Street, North Spruce Street and Manor Drive.
- Enhance security at water plant.
- Complete repairs to the reservoir drain valve.
- Install new check valves and raw water valve at treatment plant.
- Improve permanganate system.
- Continue SCADA enhancements.
- Begin a system evaluation for long-term water system improvements.
- Add chlorine meter at Ogden pump station.
- Replace turbidimeters.
- Explore purchase of vacuum excavator/jetter.

#### Wastewater System

- Continue the CSO elimination project.
- Make localized line repair/replacement as necessary for CSO project.

#### Stormwater

- Reserve funds in anticipation of future funded project.
- Replace stormwater basins in northeast quadrant in preparation for paving following sidewalk and gas projects.



#### Timber Management

- No planned activities.

### **CULTURE & RECREATION**

The Borough provides a well-rounded variety of recreational facilities including three playgrounds, Lake Rowena, the YPCC, Memorial Field, the Ebensburg Tennis Center, Ebensburg Skate Park and Ebensburg Swimming Pool. It also provides financial support to the Ebensburg library. The objectives in 2020 include:

#### General

- Acquire college interns to assist with department needs including landscaping, field maintenance and programming.

#### Swimming Pool

- Purchase additional deck chairs.
- Replace the tiling at the zero-depth entrance.
- Replace two Funbrellas and solicit sponsors.
- Replace the CO2 and chlorine feeder.





### Lake Rowena

- In coordination with Fish Commission, apply herbicide to control lake weeds.
- Continue control program to manage geese.
- Repair the fishing pier.
- Remove the suspended boat dock.
- Repaint the wooden railings around entrance.
- Install a French drain through the yard above the pavilion.
- Construct a new concession/storage/restroom building.



### Tennis Center

- No planned activities.

### YPCC

- Purchase new chairs and tables.
- Continued evaluation of the operation of the school's swimming pool.

### Playgrounds

- Skin the infields at Memorial Field and repair a dugout floor.
- Replace sections of brick walk in Kimball Park.



## **CAPITAL BUDGET**

Ebensburg Borough has a long-standing commitment to upgrade and replace borough facilities and equipment. This budget provides funding for the ongoing capital improvement program.



Adequate capital reserves are budgeted in each department in order to assure that the needed funds are on hand in the future. In 2020, a total of \$1,148,500 will be transferred from the general, water, wastewater and stormwater funds to the capital improvement fund. The annual transfers are necessary in order to have adequate funds on hand in the future to meet the obligations of an aggressive capital improvement program. The capital budget allocates \$606,000 for projects in 2020.

The 2020 Operating Budget is indeed “austere”, but we must continue to pursue new and bold innovations. We are fortunate to still have the financial capacity to provide prudent investment in the future through capital improvements and projects, which will improve our quality of life.

## **FUTURE BUDGET CONSIDERATIONS**

This budget contemplates continuing Council's long-standing practice of investing in community improvements. Our Capital Improvement Program will continue to allow us to enhance community aesthetics and improve public facilities. Our residents will enjoy new programs and services and take greater pride in their community.

Ebensburg Borough remains financially strong and sound. That is largely due to Borough Council's willingness to continue to invest in the borough's future. While many towns are in a state of decline, Ebensburg continues to be active and vibrant. The economic status of our region is struggling with the rest of the country, but a renaissance in Ebensburg Borough is continuing. Ongoing funding of an aggressive capital improvement program is essential to the Borough's future success. The ability to respond positively to unforeseen opportunities without incurring unnecessary debt is an important benefit of such a program.

The ongoing sidewalk improvement projects have been the catalyst for much of the change that Ebensburg has experienced over the past decade. It is important to continue those projects.

## **PUBLIC IMAGE**

We expect Ebensburg Borough to continue to experience change in 2020. We will enter 2020 having completed sewer, stormwater, gas and sidewalk projects south of High Street, and the resurfacing of all streets in that neighborhood. Although gas, stormwater and sidewalk construction will continue through 2020 across areas north of High Street, residents generally believe it is all for the better, and will be pleased with the final results.

## **STAFF AND VOLUNTEERS**

Ebensburg is a strong community where the citizens have come to expect responsive municipal services, delivered in an efficient manner by a professional Borough Council. I am proud to serve as Manager of a community that is open-minded, forward thinking and committed to making improvements. It is with great pleasure and purpose that we serve the citizens of Ebensburg together.

In doing so, we rely heavily upon a cadre of volunteers who serve voluntarily on the various authorities, boards, and commissions. Others provide their time to volunteer for our numerous community events and are invaluable to the borough's success.

Our employees continue to deliver quality cost-effective service to our residents. Their talents and creativity have proven invaluable.



## **CONCLUSION**

Financial stability will be maintained in the future through the Borough's ongoing efforts to provide the highest quality service in the most efficient and cost-effective manner possible. It has been achieved through establishing and following sound financial management policies designed to protect the public's finances and provide accountability to the taxpayers.

This budget, considered a reliable financial plan for the 2020 fiscal year, maintains and enhances our key services while working within our financial constraints. It reflects the balance between current economic realities and the desire to provide the best government possible during these current conditions. It is the continuing goal of the staff to produce excellence in budgeting, evidenced by the high standards of financial reporting displayed throughout this document.

I wish to extend my personal gratitude for the hard work of all staff and Councilors in its preparation. Most importantly, thanks to our Mayor and Borough Council for their policy direction, leadership and continuing support.

I am confident that the upcoming fiscal year will be another year of progress and improvement for our community. I am grateful to each of you for your leadership and support, and I welcome your comments and suggestions as you review the attached information in the days ahead.

Respectfully submitted,

Daniel L. Penatzer  
Borough Manager