

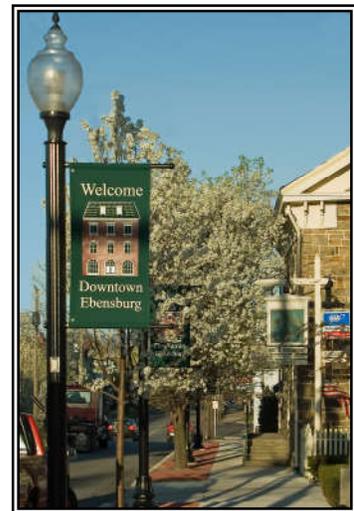
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October 25, 2021

Mayor Datsko and Members of Borough Council:

The 2022 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 2022 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 2022 Operating Budget calls for revenues of \$6,354,380 and expenditures of \$6,287,745. The general fund budget is balanced with no increase in real estate taxes. This is the 12<sup>th</sup> consecutive year without a tax increase for general purposes, and the 11<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	\$2,186,580	\$2,186,580	\$0
Water Fund Budget	\$1,999,300	\$1,999,300	\$0
Wastewater Fund Budget	\$1,940,000	\$1,873,365	\$66,635
Stormwater Fund Budget	<u>\$ 228,500</u>	<u>\$ 228,500</u>	<u>\$ 0</u>
Total Operating Fund	\$6,354,380	\$6,287,745	\$ 66,635

The General Fund Budget is increased by 2.2% over last year. The increase is primarily due to higher costs budgeted for healthcare and pensions.

The Water Fund Budget is increased by 10.4% vs. 2021, primarily due to an increase in rates due to incurring debt for a short-term loan to perform system repairs. The Wastewater Fund Budget has experienced a minimal increase.

With the exception of the higher budgeted cost of employee benefits and the increased needs for utility system repairs, expenditures in all funds remain fairly consistent.

## **BASIC POLICIES AND ASSUMPTIONS**

- A basic premise in preparing the 2022 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 \$35,124,190 comprised of assessed land value of \$6,355,540 and assessed building value of \$28,768,650. The rate of collection is based on a 15-year average. 26% of the property in Ebensburg is non-taxable.

The 2021 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:

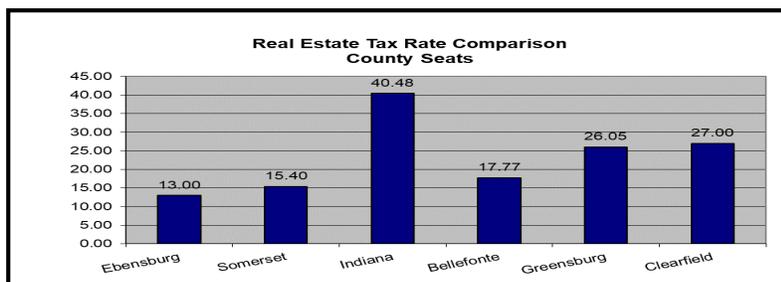
Conventional Millage Rate	
General Purposes	12.5 mills
Stormwater	<u>0.5 mills</u>
<b>Total Mills</b>	<b>13.0 mills</b>

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
<b>Total</b>	<b>33.25 mills on land &amp; 8.5 mills on buildings</b>

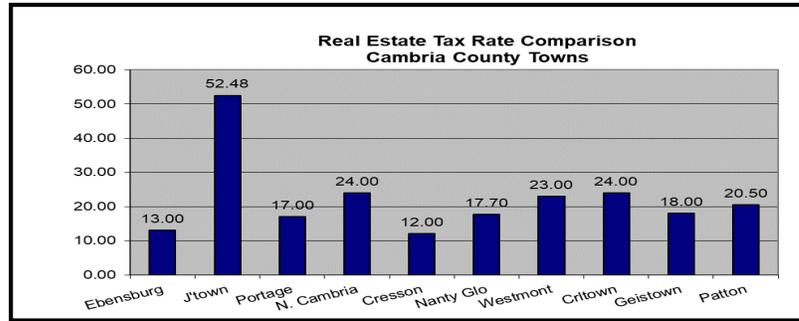
The following demonstrates how the calculation of the two-tier tax rate compares to the calculation of a conventional tax rate.

	Assessed Value	Millage Rate	Revenue Generated
Land	\$ 6,357,370	33.25	\$211,382
Buildings	\$28,912	8.50	<u>\$245,755</u>
Total			\$455,854
	\$35,124,190	13.00	\$457,137

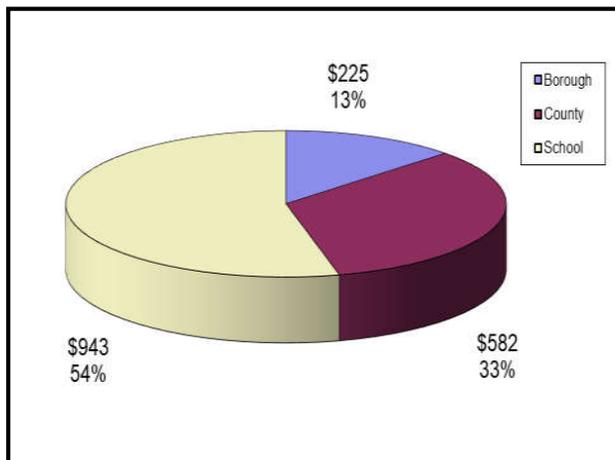


The chart is a comparison of Ebensburg Borough's real estate tax rate to other county seats in the region.

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



**COMPARISON OF TAXING AUTHORITIES**



The 2021 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 2022. The Act 511 taxes are as follows:

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

**2021 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, 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 Borough manager transition, continued that progressive spirit with even more initiatives. In 2021, Borough Council accomplished the following:

- Made extensive improvements to the playing surfaces at Center Ward Playground.
- Installed an audible signal for pedestrian crossings at High and Center Street.
- Obtained gold certification in the PA Sustainable Community Program.
- Completed installation of new curbs and sidewalk on W. Horner Street, W. Crawford Street and W. Sample Street.
- Milled and resurfaced most streets in northwest quadrant of town.
- Replaced a police cruiser.
- Applied for a grant for a dog park at Lake Rowena, sponsored by the Rotary Club.
- In conjunction with RACRA, resurfaced the airport taxiways using grant funding.
- Supported the Municipal Authority in applying for a water line replacement grant for High Street.
- Received a one-year extension for Façade Grants
- Completed hiring search for new borough manager and successfully transitioned over to new manager.
- Implemented modifications to Borough office to improve safety and security

**GRANTS AND LOW INTEREST LOANS**

2022 Funding Sources		
Airport Taxiway	PennDOT	\$150,000
Street Resurfacing	PennDOT	\$109,050
Street Resurfacing	County	\$7,500
Drug Task Force	PennDOT	\$2,330
<b>Total Grants</b>		<b>\$268,880</b>

Borough Council has actively sought grants and low-interest funding for many projects.

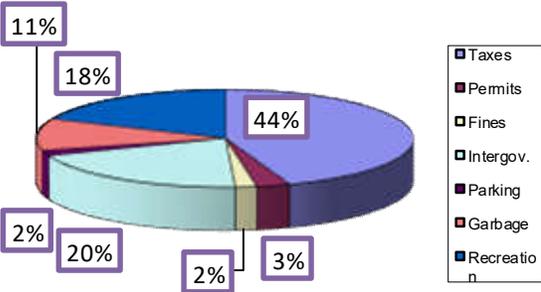
**DEBT ANALYSIS**

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 2020, Ebensburg Borough opened a line of credit for ongoing sidewalk and curb improvements in 2020 and 2021. The line of credit will allow costs to be paid for both projects while property owner assessments are being collected. Following the completion of the 2021 project a balance of approximately \$670,000 exists. A separate loan will be obtained in early 2022 to settle the line of credit. The loan will be amortized over five years with funds already being reserved annually for sidewalks being utilized to cover the debt service.

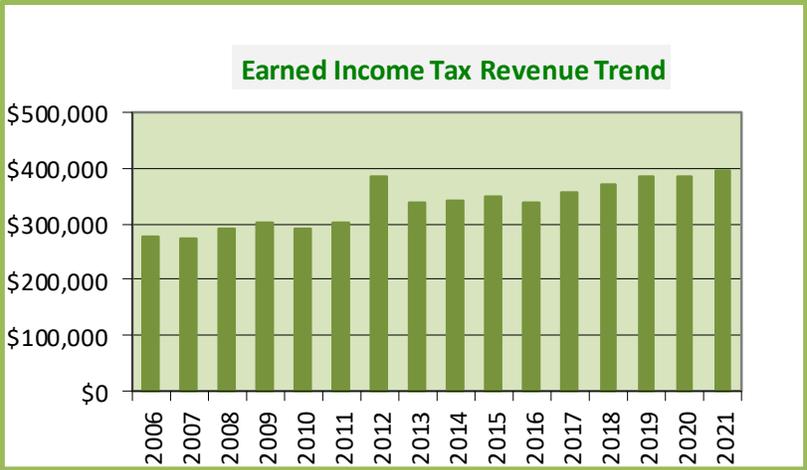
**ANALYSIS OF GENERAL FUND REVENUES**

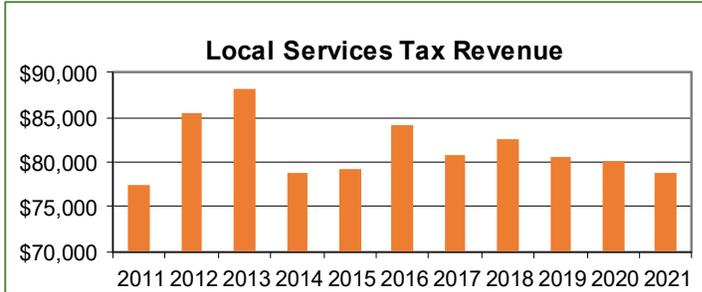
This chart illustrates the breakdown of revenues into the general fund. Obviously, taxes make up the greatest percentage of revenue. Ebensburg's combined recreation programs remain a significant source of revenue, constituting 18% of total revenues. It is important that those recreation related revenues 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.

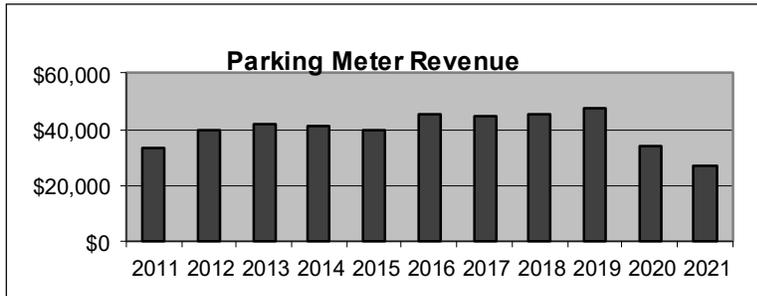
Earned Income Tax – The earned income tax is a ½ percent tax on all earned income. 2012 was the first year that the EIT was collected on a county-wide basis by a single tax collector. The new rules on frequency of collections resulted in an anomaly making it total higher than normal.





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.

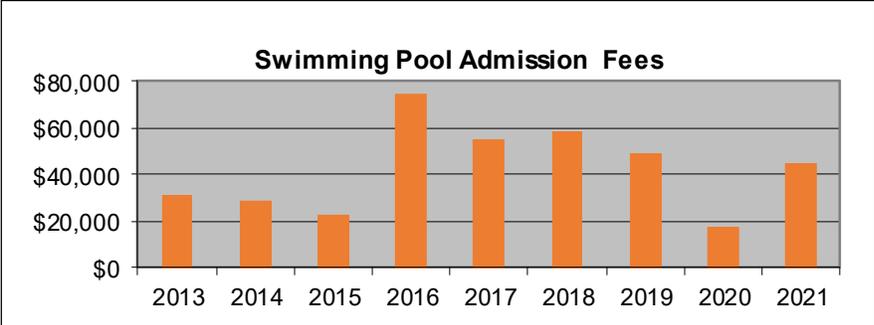


It is important that the revenue covers the ongoing cost of enforcement, the capital costs of the meters and stations, the maintenance of same, and the parking lot lease cost. The annual cost of enforcement is approximately \$23,000. Annual maintenance is less than \$2,000.

The parking lot lease is \$13,200. The capital cost of meter replacement varies and is addressed in the capital budget.

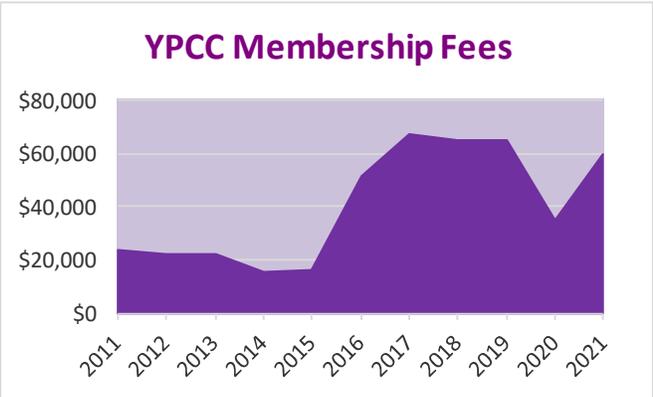
In 2020 meter enforcement was suspended for four months during Covid-19. We expected 2021 revenues to return to normal, but they have continued to remain lower. Part of this was due to problems with the central pay-point equipment in the PennEben and Court House lots. That equipment has been repaired, and we will continue to monitor the revenue through 2022.

Swimming Pool – Revenue from swimming pool annual and daily passes has varied greatly over the last decade. Since the new pool was opened in 2012 there had been a gradual decline in memberships. 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. Revenue has since returned to a more consistent baseline.



Pre-Covid revenue at the pool averaged \$50,000 a year. Staff is comfortable projecting a conservative amount of \$47,750 in expected revenue.

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.



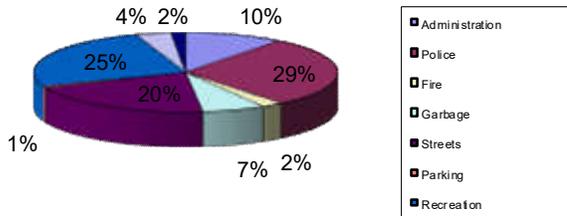
New management, new fitness equipment, better equipment maintenance, and stricter adherence to facility membership rules resulted in a 280% increase in 2016 membership fees. In 2017 new cardio equipment was added.

Covid-19 greatly curtailed YPCC activities in 2020, closing the facility for a period of time. The 2021 budget assumed that Covid was behind us and estimates remained conservative. Being this was not the case, we have continued to remain conservative in our 2022 budget. 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.

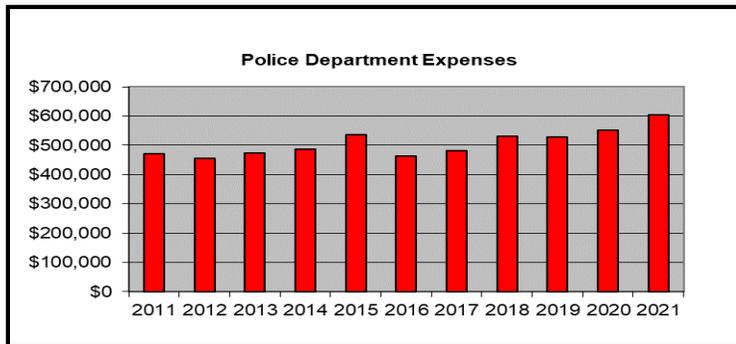


Tennis Center – Membership fees at the tennis center have remained fairly consistent over its twelve years of operation. Covid-19 also impacted the 2020 and 2021 revenues here. The cost of tennis memberships was increased 10% in September 2017.

**ANALYSIS OF GENERAL FUND EXPENDITURES**



This chart illustrates the breakdown of expenditures from the general fund. The cost of police protection is Ebensburg's largest budgeted expense (\$629,520) followed by recreation (\$558,050).



Police Department – The cost of providing police protection has remained fairly consistent in recent years. While staff costs have increased, they have been offset at times by vacancies within the department. Other operational increases have been offset by decreased pension costs in the uniformed pension plan in recent

years.

In 2022 none of those cost-saving benefits exist. All five positions are filled, and the latest officer hired is nearing 100% of wage under the graduated wage scale. Healthcare and pension costs are expected to increase in 2022.

The budgeted cost in 2022 is estimated to equate to nearly 18 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 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 2022 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 \$30,000 since 2018.



The 2022 budgeted subsidy is \$35,590.

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 \$29,340.

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 2022, though the budget anticipates a deficit of \$22,990, normal operations will likely cover that deficit.

Roller Rink – The roller skating rink 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 – The Borough did not undertake any street paving projects between 2014 and 2019, 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 \$561,000 remained in the Liquid Fuels account.

In 2020 a \$382,000 contract to mill and resurface streets in the northeast quadrant of town was awarded. Street milling and resurfacing of streets in the northwest corner of town occurred in 2021 following a sidewalk project in that corner. In 2021 a small section of the streets that were to be paved, were withdrawn from the project because of an upcoming project by Peoples Gas for line replacements. The areas of N. Spruce, W. Horner, N. West and Belmont Streets that were deleted from this year's project will be completed in 2022.

In 2022 attention will be given to streets in the Elderwood neighborhood. Hillcrest Drive, Alpha Lane, Sunset Lane, Edgewood Drive, Grandview Drive and Elderwood Drive (total estimated 12,600 sq. yds) will all be due for resurfacing by then. The cost estimate for milling and paving of that area and the streets that were taken out of the 2021 paving project is \$220,300. With the 2021 balance plus state and county allocations in 2022 the Borough will have adequate funds on hand to complete this project and be in a good position to return to a regular schedule of street maintenance.

The Borough should make a habit of milling old surfaces prior to resurfacing. While that increases the total cost by 25% it avoids stormwater issues, preserves curb reveal and makes a better job overall.

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, 2019 and 2020 budgets described rising concerns about water and wastewater revenues and warned of rate adjustments that would be required in coming years. The sections below further explain those concerns. While wastewater revenues will remain adequate in 2022, it is now necessary to include those predicted water rate adjustments in the 2022 budget.

Wastewater System – There are three factors looming in the near future that will affect wastewater revenues, none of which are addressed in the 2022 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, there have been discussions about the potential closing of the 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 (unless, of course, another user with similar water needs were to move into that facility).

Third, customers who failed 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. The assessment of surcharges continued throughout 2021 generating \$190,000. So, although some limited additional revenue from surcharges can be expected, the vast majority of users have made the repairs necessary, and therefore surcharges are not included in the 2022 budget.

The 2022 the wastewater budget has a small surplus, and a rate adjustment is not necessary at this time.

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

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

Second, Ebensburg Center has been plagued by water leaks. In 2021, a major water leak generated \$40,000 in revenues to the fund, but repairs are expected to be made soon. 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.

The immediate issue concerning water rates is the need for a rate adjustment to cover 1) routine operating costs; 2) minor projects of an immediate nature; and 3) planned capital projects. The water reserve fund contains less than \$200,000 and that is insufficient to cover these future capital costs.

The municipal authority has reviewed a detailed analysis of the rate structure and will be implementing a rate adjustment at the beginning of 2022; although not formally in place, that adjustment has been reflected in the 2022 budget.

## 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 was 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 has been directed towards the debt service due to PENNVEST. At this time, no significant capital improvement projects are contemplated for the wastewater system.

Water System – The Municipal Authority conducted a water system evaluation and capital needs study of the distribution system. That report, presented to the Authority in the spring of 2021 described a capital improvement project costing \$10+ million on the distribution system alone. It will include the need to replace storage tanks first constructed around 1900 and water mains that are 120 years old.



In addition, the total replacement of the water treatment plant is being considered. That project, which will need to be addressed at some point in the next ten years, will cost at least \$15 million. The Saltlick loan will be paid off in 2025 freeing up funds that can be directed toward a water plant project, but it is less than half of what that new debt service will cost.

The Municipal Authority is reviewing a rate increase that will provide additional annual operating revenue (an estimate of which is already included in the proposed budget) of around \$115,000+ annually, which would be applied to short-term debt for a project.



Stormwater System – New stormwater management fees were implemented in September 2014, and the full rate was imposed in 2016. Each department is assessed a stormwater fee on its Borough-owned facilities, 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.

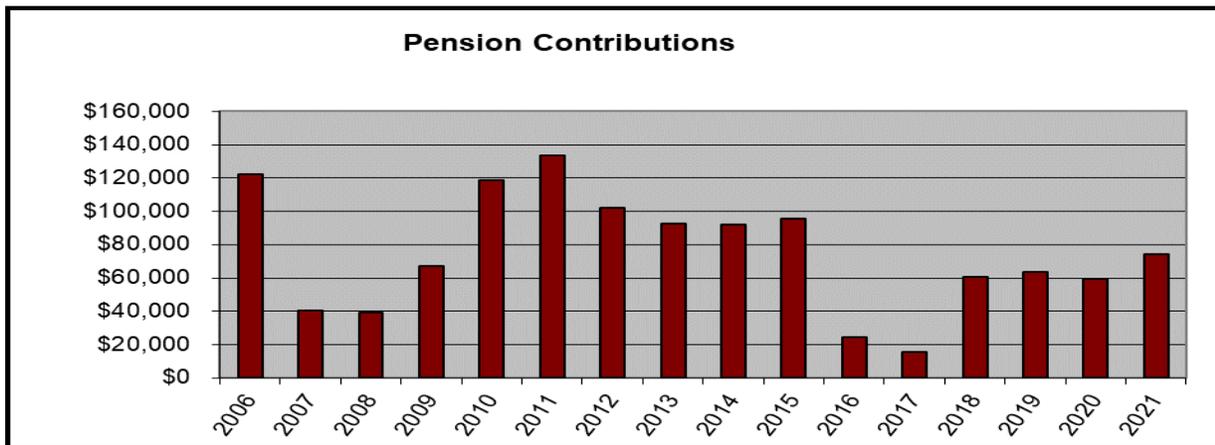
For the past two years, new stormwater basins were installed on East and West Sample Streets and East Crawford Street in advance of the paving project in that area of town

With the elimination of stormwater flows into the sanitary sewer system, and the apparent increased frequency of significant rainfall events, it is anticipated that within the next few years, the Municipal Authority will likely begin design on a major stormwater improvement project affecting several areas of town.

### 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 \$70,000.

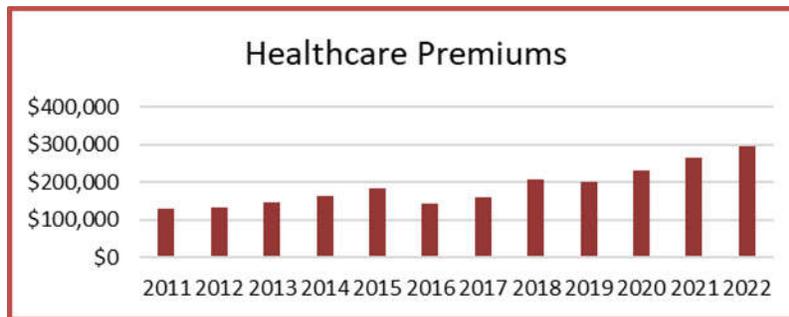


The employee contributions to both pension plans remains at 3% in 2022.

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 \$680,000.

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 8.5% in 2020 to 10% in 2023.
- 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.



## 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, were secured.

In 2019 sidewalk and curb construction was completed on South Caroline Street, South Marian Street and West Triumph Street. In 2020, a similar project was completed in the northeast quadrant of town on North Caroline Street, East Horner Street, East Crawford Street and East Sample Street. In 2021 a contract was awarded for sidewalk and curb replacement for the third and final phase of this project in the northwest quadrant of town. In Fall 2021 most of

the same streets were milled and resurfaced.

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 an analysis was performed to determine the extent to which the Borough's practices comply with the program's standards. Based on the Borough's submission, it was determined that our existing practices already satisfy the Gold level of sustainability. Only a small percentage of communities across the Commonwealth have attained this status. Looking ahead, the Borough will focus on instituting and maintaining sustainable practices.

## **DIVERSITY**

During 2020 the display of a confederate flag prompted the formation of a citizens group named Inclusive Ebensburg. The group's goal is to promote diversity and equality across the region and in borough government. Borough Council, in consultation with Inclusive Ebensburg, took several measures to assure that diversity is a consideration in all matters. Council formed a standing diversity committee and established policies for private and civic groups to sponsor events in Ebensburg. Organized activities in this area were, and remain to be, significantly impacted by the Covid-19 pandemic. We expect added emphasis on this area throughout 2022.

## **COVID**

During 2020 and 2021 Covid has continued to impact Ebensburg. In February of 2021 staff assessed the impact on the 2020 budget. Of the \$2,070,000 general fund, the budget was down \$66,000 Staff conducted an assessment of the impact of Covid on the borough's finances for the current year to September 30, 2021. There has been little effect on the collection of taxes. The borough's parking meters and recreational budget have been the most impacted of all funds. Parking meters revenues are down approximately 32% (\$10,250) from revenues received in 2019.

For the Tennis Center, revenues are down \$23, 880 (19.3%) from 2019 while expenditures are only down 8%. Compared to 2019, the YPCC experienced a loss of revenue of approximately \$21,000 (16.5%) expenditures decreased by \$28,000, at the same percentage. The swimming pool had a decrease of revenues of \$6,000 (9.5%) and a decrease in expenditures of \$11,000 (12.2%) .

The above financial impacts will probably continue into early 2022, and the outlook beyond that depends largely on our success in combating the virus, facilities fully opening and the customers utilization of them.

### **American Rescue Plan**

Ebensburg has received \$159,500 from the federal government in 2021 and we will receive the same amount in 2022. \$50,000 was used in the 2022 budget to off-set the anticipated loss of revenues. The administrative committee chose to utilize this money and not increase taxes because many residents have felt the financial impact of Covid through loss of income and the increase cost of supplies. In 2022 it is the recommendation of Staff to utilize the remainder of the money towards Stormwater. Stormwater is the most common complaint received. A stormwater study was conducted approximately seven years ago. Staff can actively pursue grants for a large stormwater improvement project and the money received could be put towards the design of said project while the revenues received yearly from the stormwater fees could be put towards the debt service.

### **MAJOR OBJECTIVES IN 2022**

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**

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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 2022 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.
- Work in conjunction with Inclusive Ebensburg to assure diversity is considered in all matters.
- Negotiate a fair and sustainable contract with AFSCME, as the current contract expires in December 2022.

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.
- Refinish benches, bollard lights, trash receptacles, pole bases as needed.
- Complete the effort to obtain certification in PML's Sustainability Program.



**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 2022 include:

Police Protection

- Continue to provide educational opportunities for police officers.
- Monitor use of part-time officers in order to remain within budgetary limits.
- Investigate the ability to hire a full-time officer, rather than the continuation of part-time officers.
- Purchase ammunition.
- Purchase new radios, as needed.
- Replace a police cruiser.
- Complete upgrades to parking meters.

Codes Enforcement

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

Zoning

- Assist Laurel Municipal Inspection so that the needs of our residents are met.

Solid Waste Collection & Recycling

- Increase public education for the voluntary curbside recycling program, providing receptacles and encourage 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 2022 are:

Highways

- Complete a street resurfacing project on Hillcrest Drive and the Elderwood neighborhood. Complete resurfacing of streets in the northwest quadrant of town where repaving was delayed due to a line replacement project by the gas company.
- Provide efficient snow removal services.
- Continue the annual replacement program for old street signs and posts, in compliance with retro-reflectivity policy.
- Conduct yearly inspections of traffic signal poles.
- Replace street signs and posts in the northwest quadrant.

Sidewalks

- Plant trees in the spring in the areas of the 2021 sidewalk project.
- Convert the sidewalk line of credit to a 5-year term loan.

Water System

- Install zone meters to better determine water loss.
- Install new check valves and raw water valve at treatment plant.
- Install a meter pit at Cambria Care for fire hydrants and sprinkler lines.

- Begin an annual program of customer water meter replacement.
- Proceed with replacement of mains along High Street, dependent on financing

Wastewater System

- Monitor and replace mains as needed.

Stormwater

- Reserve funds in anticipation of future funded project.
- Replace stormwater basins in Elderwood in preparation for paving project.



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 2022 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.
- Prepare designs for pool repairs and pursue grants for the project.

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.
- Coordinate the construction of the dog park.
- Continue to investigate possibility for a dredging project



Tennis Center

- Clean inside courts.

YPCC

- Continued evaluation of the operation of the school's swimming pool.

Skate Park

- Assist with design and grant application for a new skate park to be located near the Borough Pool.

**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 2022, 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 \$622,700 projects in 2022.

The 2022 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. New projects will likely be put on hold until the sidewalk debt is retired in five years. It is important to continue those projects at that time.

**PUBLIC IMAGE**

We expect Ebensburg Borough to continue to experience change in 2022. We will enter 2022 having completed sewer, stormwater, sidewalk and street resurfacing projects in all areas of town. Stormwater and resurfacing projects will continue through 2022. 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 have served 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 2022 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,

Kelly Cook  
Borough Manager