



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

November 7, 2022,

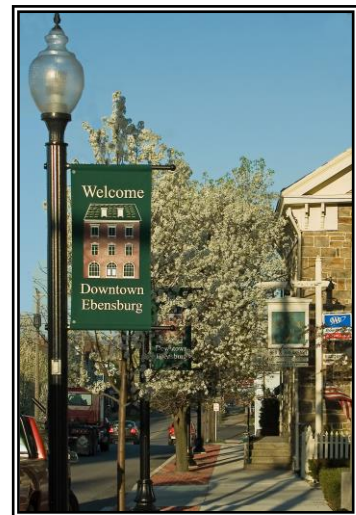
Mayor Datsko and Members of Borough Council:

The 2023 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 2023 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 2023 Operating Budget calls for revenues of \$6,673,705 and expenditures of \$6,673,705. The general fund budget is balanced with the implementation of an increase in real estate taxes amounting to 3.75 mills. The Borough has not had an increase in 13 years.

	Revenues	Expenditures	Surplus
General Fund Budget	\$2,320,170	\$2,320,170	\$0
Water Fund Budget	\$2,137,795	\$2,137,795	\$0
Wastewater Fund Budget	\$1,987,240	\$1,987,240	\$0
Stormwater Fund Budget	<u>\$ 228,500</u>	<u>\$ 228,500</u>	<u>\$0</u>
Total Operating Fund	\$6,673,705	\$6,673,705	\$ 0

The General Fund Budget reflects an increase of 16.5% over last year. This increase is primarily due to higher costs of wages and benefits for borough personnel and overall inflation in supplies and services. In particular, the budget reflects the hiring of an additional full-time police officer to reduce anticipated overtime and to ensure 24/7/365 coverage, mainly due to difficulties encountered in reliably securing part-time officers utilized in the past.

The Water Fund Budget is increased by 13.85%, primarily due to added personnel costs, as well as contractual increases in water plant operation due to inflation. The Wastewater Fund Budget has experienced an increase of 4.4%. At this time, neither of these funds requires an increase in rates. Wastewater has had a small surplus of revenues over expenditures for several years, but this year, it will balance. The Water system has consistently experienced an increase in bulk water sales which are projected to continue in 2023.

## **BASIC POLICIES AND ASSUMPTIONS**

- A basic premise in preparing the 2023 Budget is to minimize any required 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 further evaluated 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 any and all borough expenses, including 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 facilities.

**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 overly penalize property owners for improvements made to properties.

The total taxable real estate assessment is \$35,052,130 comprised of assessed land value of \$6,351,370 and assessed building value of \$28,700,760. The rate of collection is estimated to be 95%. Overall, 25% of the assessed value of property in Ebensburg is non-taxable.

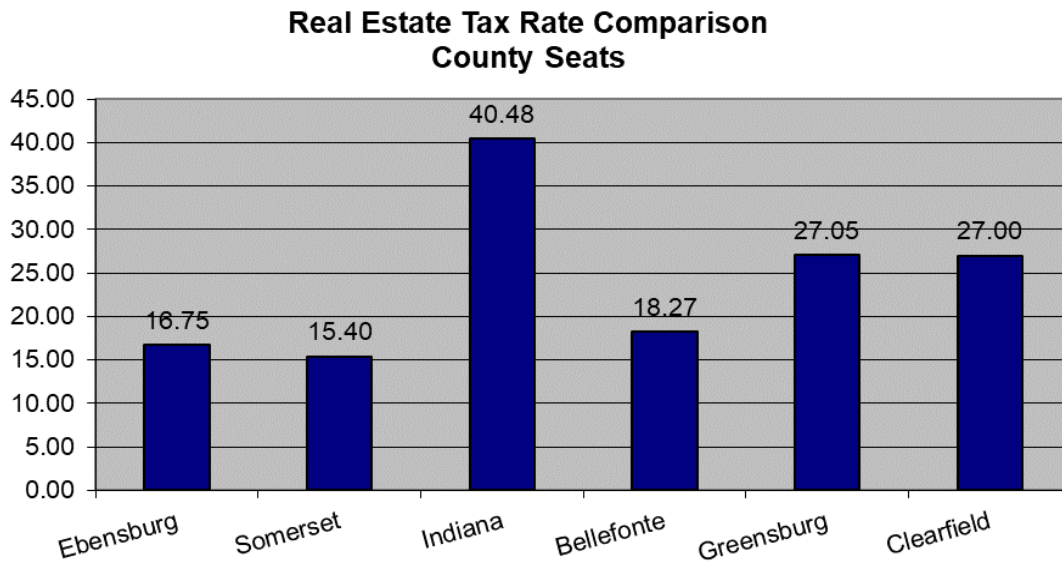
The 2023 tax rates are 39.25 mills on land and 11.75 mills on buildings. This is the equivalent of a 16.75 mill real estate tax in conventional terms

On a two-tier basis, the tax rates of 39.25 mills on land and 8.5 mills on buildings are divided as follows:

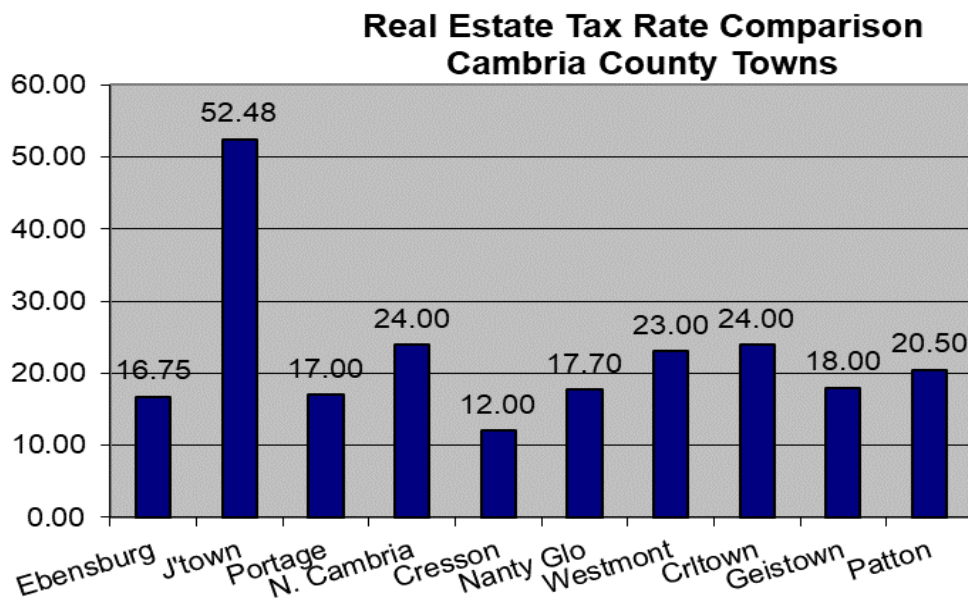
Tiered Millage Rate	
General Purposes	36.75 mills on land & 11.75 mills on buildings
Stormwater	2.50 mills on land
Total	39.25 mills on land & 11.75 mills on buildings

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	\$ 6,351,370	39.25	\$249,241
Buildings	\$28,700,760	11.75	<u>\$337,234</u>
Total			\$586,525
95% collection	\$35,052,130	16.75	\$557,199



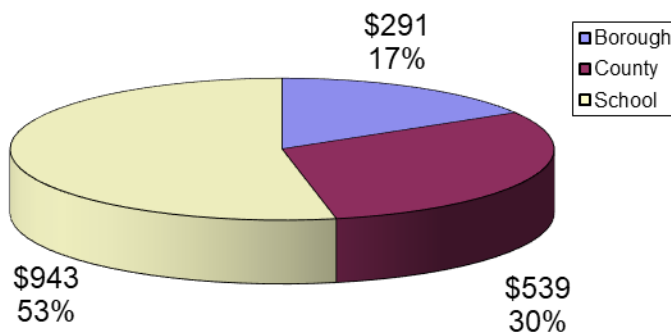
The chart above is a comparison of Ebensburg Borough's real estate tax rate to other county seats in the region.



This 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 2023 average property assessment for residential property in Ebensburg Borough is \$17,383. Thus, the average taxpayer will pay approximately \$291 (16.75 mills) per year for borough services. This is an increase of approximately \$5.45 per month. This fund 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 17% of the total property tax bill paid by borough taxpayers. Thirty (30%) percent of taxes paid by borough taxpayers goes to county government (31.0 mills), and fifty-three (53%) 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

## 2022 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 continued that progressive spirit with even more initiatives. In 2022, Borough Council accomplished the following:

- Completed installation of trees on W. Horner Street, W. Crawford Street and W. Sample Street.
- Milled and resurfaced streets in northwest quadrant of town.
- Replaced a police cruiser.

- Applied for multiple grants to be used in conjunction with a larger DCNR grant for a dog park at Lake Rowena, sponsored by the Rotary Club.
- In conjunction with RACRA, purchased equipment for line painting at the airport and pursued grants for building repairs and maintenance using grant funding.
- Supported the Municipal Authority in a water line replacement project for High Street, including support for a \$1,265,610 grant.
- Administered and closed out DCED contract for a Façade Improvement Grant program; applied for and received a new round of funding in the amount of \$50,000.
- Completed hiring search for new public works director and successfully transitioned over to new director; filled all current positions with qualified candidates.
- Maintained gold certification in the PA Sustainable Community Program.
- Completed negotiations with AFSME on a new 4-year labor agreement
- Oversaw installation of a “Welcome to Ebensburg” mural to beautify the salt shed at Lake Rowena

## **GRANTS AND LOW INTEREST LOANS**

2022 Funding Sources		
Airport Paint Machine	PennDOT	\$7,540
Airport Building Maintenance	Federal	\$9
Street Resurfacing	PennDOT	\$109,325
Street Resurfacing	County	\$7,500
High Street Waterline	PENNVEST	\$1,265,610
Drug Task Force, Aggressive Driving, Etc.	PennDOT	\$2,430
<b>Total Grants</b>		<b>\$1,392,414</b>

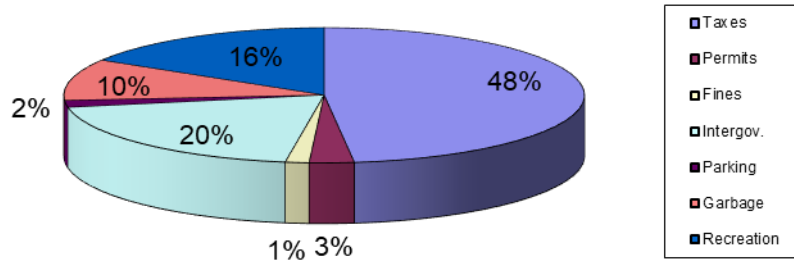
The Borough Council has actively sought grants and low-interest funding for many projects.

## **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.

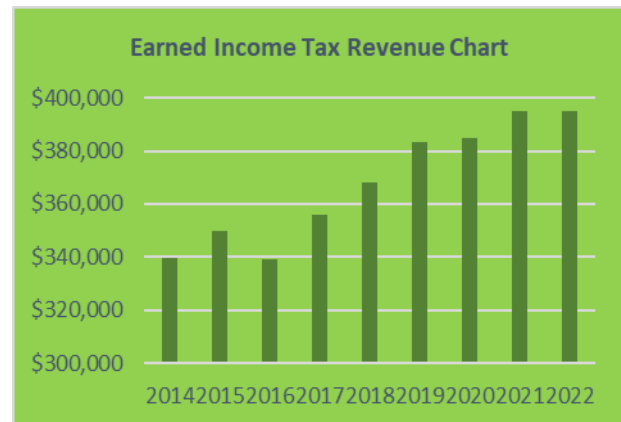
In 2020, Ebensburg Borough opened a line of credit for ongoing sidewalk and curb improvements in 2020 and 2021. The line of credit allowed costs to be paid for both projects while property owner assessments are collected. Following the completion of the 2021 project a balance of approximately \$670,000 existed. A separate loan was obtained in early 2022 to settle the line of credit. The loan was amortized over five years with funds already being reserved annually for sidewalks being utilized to cover the debt service. While the majority of property assessment funds have been collected, as of October 31, 2022, \$92,950 in assessments remain outstanding.

## ANALYSIS OF GENERAL FUND REVENUES



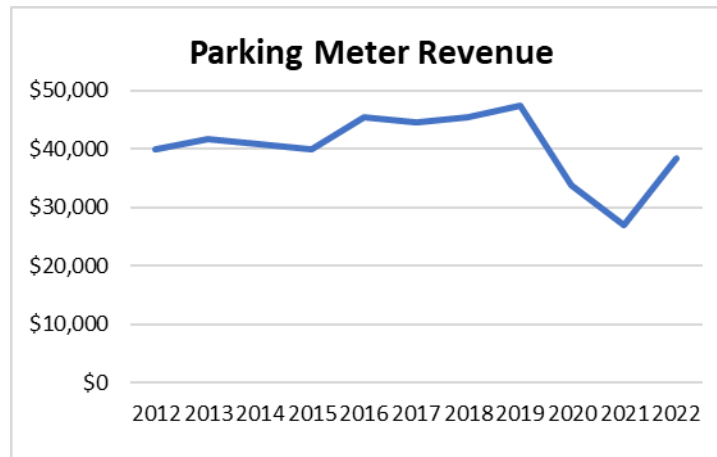
This chart illustrates the breakdown of revenues into the general fund. While real estate taxes make up the greatest percentage of revenue, they still represent less than 50%. Ebensburg's combined recreation programs remain a significant source of revenue, constituting 18% of total revenues. It is important that those recreation-related revenues be monitored throughout the year to be certain that programs are meeting budgeted goals.

Earned Income Tax – The earned income tax is a ½ percent tax on all earned income for residents living within the borough limits.



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

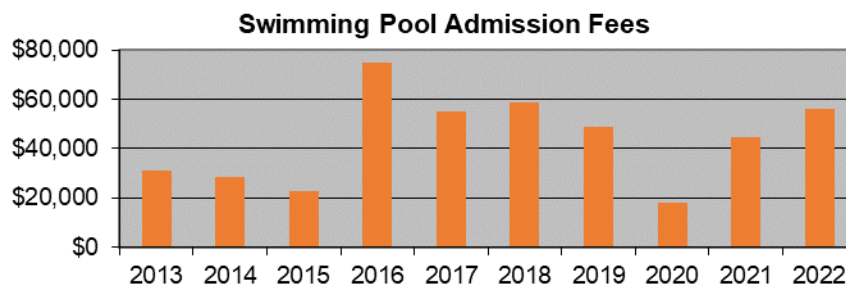
Parking – The revenue generated from parking meters has never been looked to as a source of revenue for the borough. The only reason that the parking meters exist is to help assure that vehicles are rotated through the limited number of available parking spaces, making parking available for visitors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

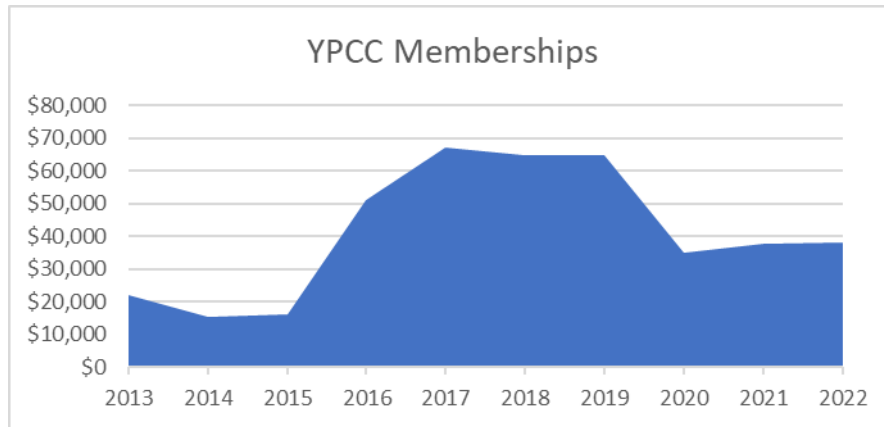
In 2020 meter enforcement was suspended for four months during Covid-19, and revenues remained low in 2021. We expected 2022 revenues to return to normal, but although they have increased, we are still below pre-pandemic levels. We will continue to monitor the revenue through 2023 and will make adjustments as appropriate.

Swimming Pool – Revenue from swimming pool annual and daily passes has varied greatly over the years. Since the new pool was opened in 2012 there had been a gradual decline in memberships. New management, a summer of excellent weather, and the temporary closing of two nearby municipal pools resulted in a 324% increase in 2016. The 2020 season brought in only \$17,900, but the past season's revenues increased to just below pre-Covid levels.

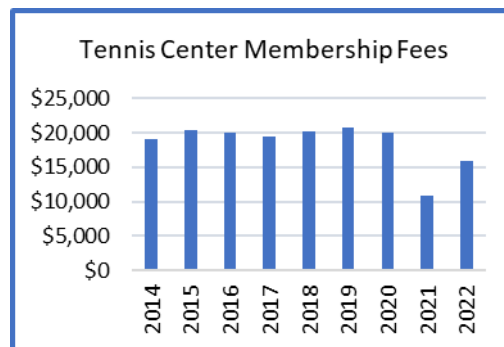


YPCC – YPCC membership fees have also varied over the decade. Memberships drastically increased in 2009 when the fitness center was introduced and continued to grow for three years. As the fitness center became outdated and other privately-owned centers were opened, membership fees decreased.

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.



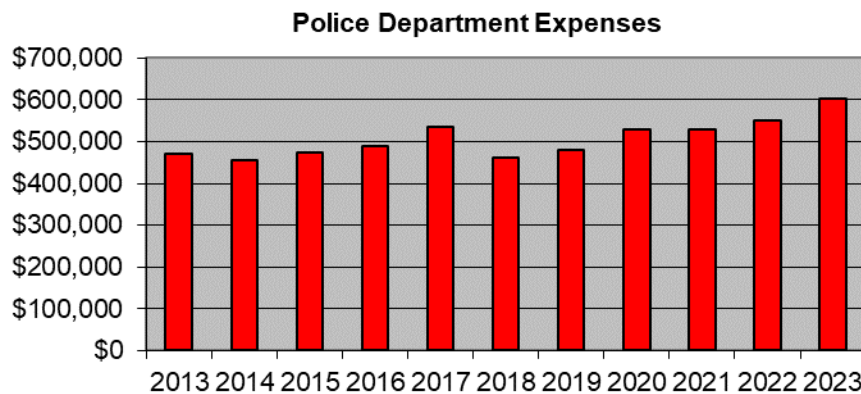
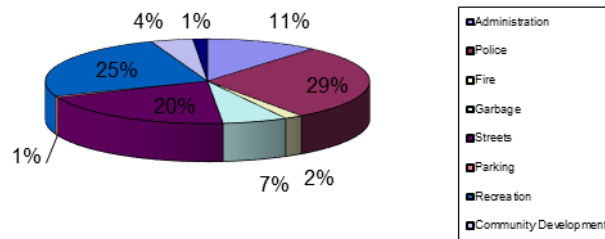
Covid-19 greatly curtailed YPCC activities in 2020, closing the facility for a period of time. The residents that purchased in-home equipment and the opening of a new facility in town, have greatly decreased the membership. The Borough will monitor this facility and look for ways to increase membership.



Tennis Center – Membership fees at the tennis center remained fairly consistent over its twelve years of operation but Covid-19 impacted the past three years of revenues. The 2022 revenues appear to be on an upward trend but will continue to be monitored. The tennis pro has been very active in increasing the center's presence on social media and will continue to do so in 2022 to pursue additional members.

## 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 (\$673,570) followed by recreation (\$584,725).



Police Department – The cost of providing police protection has remained fairly consistent over the years. 2023 is expected to bring about several changes. The long-time police chief is anticipating retirement and the number and availability of part-time officers has steadily decreased. Council and staff have considered many options while ultimately deciding to pursue hiring a sixth full-time officer. This decision was not made lightly as the cost will affect the budget, but the safety of Borough residents is a priority. Hiring another officer will allow Ebensburg to continue to benefit from full twenty-four-hour coverage.

The Borough will pursue obtaining a grant that will off-set the cost of this officer for the first five years of employment through a COPS Hiring Program. This grant is designed to provide funding directly to communities for the hiring of officers in an effort to increase community policing and crime prevention efforts.

Recreation – The 2023 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 for three years.



However, the past several years, the subsidy has increased, with this year's subsidy of \$52,405. Staff needs to continue to assess membership and activities provided to increase revenue sources.

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 gradually declined since. The pool recovered in revenues after Covid but increases in chemical costs, heating and personnel have caused an increase in outflows. The annual subsidy for the swimming pool is approximately \$32,440.

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. Since Covid, though the facility has experienced a deficit. This year a deficit of approximately \$51,460 is anticipated. Council continues to seek ways to increase its revenue sources.

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 in the northwest corner of town occurred in 2021 following a sidewalk project in that area. In 2021 a 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 the 2021 project were completed in 2022, along with North Beech and North Julian Streets. The Borough also paved Trout Lane for the Wastewater Treatment Plant

In 2023 attention will be given to streets in the Elderwood neighborhood. It was anticipated to complete some of those roads this year, but with increasing asphalt pricing and the anticipation of People's Gas doing a gasline replacement project, paving in these areas was delayed. 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 in 2023. Dependent on asphalt costs, the Borough anticipates it will have adequate funds on hand to complete approximately half of this project, with the remaining portion to be done in 2024. After this, the Borough will be in a good position to return to a regular schedule of street maintenance.

The Borough should make it standard to mill existing paved 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. Water rates were adjusted in 2022. Wastewater and Water revenues will remain adequate in 2023.

Wastewater System – There are three factors looming in the future that will affect wastewater revenues, none of which are addressed in the 2023 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 that should greatly reduce the amount of infiltration. While that is good news for the treatment plant's capacity, it will negatively affect 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 it were to eventually happen, 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, while the reserve fund currently has a healthy surplus, these funds are being utilized for the installation of approximately 3,500 L.F. of gravity sewer main and appurtenances along a backlot area adjacent to Manor Drive and Lovell Park, including reconnection of existing customer connections. The purpose of the project is to address structural deficiencies within the existing sanitary sewer mains which are resulting in excessive inflow and infiltration. Going forward, the reserve will need to be evaluated for future planned capital projects.

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

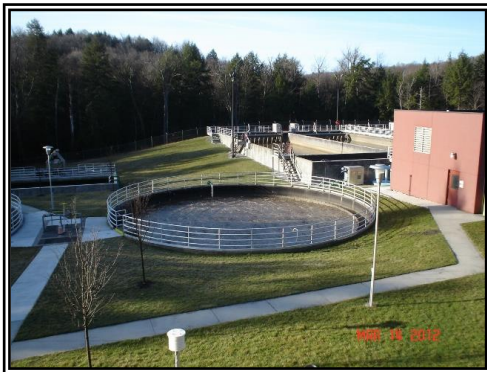
First, if the closure of Ebensburg Center were to occur, the loss in revenue would be approximately \$80,000 annually.

Second, Ebensburg Center has been plagued by water leaks. Major water leaks generate revenues to the fund, but repairs are usually made as soon as possible. Again, while that is good news for Ebensburg Center, it is bad news for our own water 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.

In the coming years, there will likely be the need for a rate adjustment to cover 1) routine operating costs and 2) planned capital projects and repairs to water leaks that plague the system. The water reserve fund contains less than \$200,000 and that is insufficient to cover these future capital costs.

## **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 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.

In 2023 a sewer line replacement project in the areas of Lovell Park and Manor Drive will be undertaken. Other than that, no major capital projects are anticipated.

Water System – In 2020, 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 included 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.

In 2022 the Municipal Authority imposed a rate increase that provided additional annual operating revenue. The Authority will apply this revenue to short-term debt for improvements at the water plant and for the installation of zoned meters to assist in the location of leaks in the system.



**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 utilized for stormwater maintenance, with the majority placed in reserves 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 and 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, the Municipal Authority began design on a major stormwater improvement project affecting several areas of town and is seeking funding for the construction. Otherwise, in 2023 it is anticipated to replace, repair and/or add curbing along North Beech, West Alton, East Ogle and South Julian and Triumph Streets to better control stormwater in these areas.

## **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** – The Borough provided two defined benefit employee pension plans that had recovered 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. It is anticipated this will increase within the next few years due to the recent market situation.

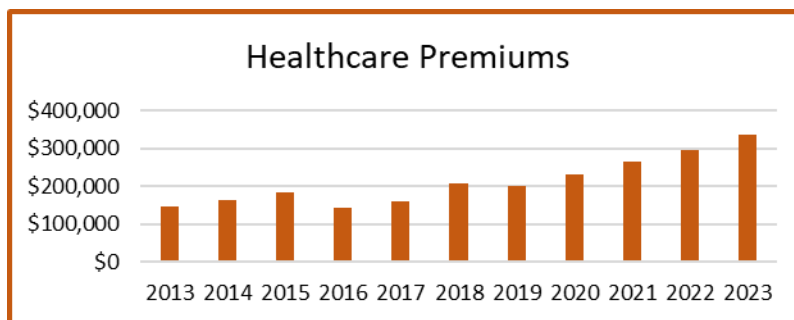
The employee contributions to both pension plans remains at 3% in 2023.

Due to the downward spiral of investments, a major financial concern facing Ebensburg Borough in the future will continue to be the cost of employee pensions.

In 2021 the Borough implemented a new pension plan for all new non-uniformed hires. This plan is a defined-contribution plan that is not dependent on market conditions and will allow the Borough to benefit from the ability to plan the expenditures well into the future.

Employee Healthcare – Increases in the cost of employee healthcare have had a drastic impact on everyone in the public and private sectors. Premiums are anticipated to increase 14% in 2023. 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 possible premium.
- d. Incentivized employees to acquire healthcare coverage on spouse plans.
- e. Reduced the workforce by two employees over the period.



Employee Wages – In 2021 and 2022 the Borough experienced significant difficulty in attracting and retaining employees, especially in the Public Works department, for several reasons. Due to the economy and recent trends in the workforce, potential employees considered other starting wages and benefits in the area and the Borough's compensation and packages offered were not competitive. As a result, the Borough was unable to fill vacant positions and operated with a limited workforce for most of the year. To retain current employees and ensure the capacity to attract new employees in the future, the Borough increased the hourly wage of employees to a level that is in line with the average with other municipalities of our size across the state. The Borough was also forced to reinstate health insurance for employee dependents, although with continued contributions required from employees that were already in place.

The decision to reinstate benefits and increase wages was not taken lightly by Council knowing that it would affect the budget this year and in the future. However, it was determined that staff

could not operate efficiently to provide the essential services that our residents require without a fully manned workforce or even worse, with a “revolving door” in which employees routinely left for better opportunities.

## **SIDEWALK PROJECTS**

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. This was completed in 2022 with the roads paved and trees planted in the fall. Both sidewalk projects on the two northern quadrants are being financed over a five-year period. The revenue that was reserved annually has been redirected to cover that debt service.

In 2023, no significant sidewalk project is planned. Council may consider a sidewalk project in the future, once the current loan for the most recent project is paid off.

## **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.

In 2021 the Borough received 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 maintaining and resubmitting for sustainability recognition in 2023.

## **DIVERSITY**

In 2020, 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 continued emphasis on this area throughout 2023.

## **COVID 19**

During 2020 and 2021 Covid significantly impacted Ebensburg. While some operations saw little to no effect (other than managing through times of staff illness), the borough's parking meters, and recreational revenues continue to be the most impacted of all funds. This will likely continue at least into the early months of 2023., and the outlook beyond that depends largely on the progression of the pandemic.

## **MAJOR OBJECTIVES IN 2023**

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 2023 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.
- Negotiate a fair and sustainable contract with the Fraternal Order of Police, as the current contract expires in December 2023.

### 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.
- Refinish benches, bollard lights, trash receptacles, pole bases as needed.
- Continue to maintain certification in PML's Sustainability program and begin the recertification process



## **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 2023 include:

### Police Protection

- Continue to provide educational opportunities for police officers.
- Monitor use of part-time officers in order to remain within budgetary limits.
- Start the process of securing outside grants and hiring a full-time officer, reducing reliance on part-time officers.
- Purchase ammunition.
- Purchase new radios, as needed.
- 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 2023 are:

### Highways

- Complete a street resurfacing project in the Elderwood neighborhood.
- 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.

### Water System

- Install zone meters to better determine water loss.
- Install new check valves and a raw water valve at the treatment plant.
- Install a meter pit at Cambria Care for fire hydrants and sprinkler lines.
- Begin an annual program of customer water meter replacement.

### Wastewater System

- Monitor and repair/replace mains as needed.
- Replace the system on Lovell Park and Manor Drive.

### Stormwater

- Finish the design of a significant project in the northern quadrant of town and secure funding for its construction.
- Replace stormwater basins in Elderwood in preparation for the upcoming 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 2023 include:

### General

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

### Swimming Pool

- Purchase additional deck chairs.
- Pursue grants for repairs needed.

### Lake Rowena

- In coordination with Fish Commission, apply herbicide to control lake weeds.
- Continue control program to manage geese.
- Repair the fishing pier, with the assistance of the Mainstreet Partnership.
- Remove the suspended boat dock.
- Repaint the wooden railings around entrance.
- Coordinate the construction of the dog park.
- Continue to investigate possibility for a dredging project



### Tennis Center

- Clean inside courts.
- Resurface the outside courts.

### YPCC

- Continued evaluation of practices and activities to increase membership.
- Refinish gym floor.

## **AIRPORT**

In 2008 Ebensburg Borough entered into a fifteen year agreement with Regional Aviation Conservation and Recreation Association (RACRA) for the lease and operation of the airport. The initial term of the lease ends on December 31, 2023. RACRA has the option to extend the lease for up to two additional five-year terms. After that, the lease can be extended only by agreement of both RACRA and the Borough. Conversations with the President of RACRA showed their intent to utilize this option to extend. If so, RACRA must officially notify the Borough of their intent by the end of June 2023.

## **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 2023, 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 \$723,350 toward projects in 2023.

While we regret the need to increase taxes in the coming year, we must continue to ensure the integrity of ongoing operations as we 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.

## **PUBLIC IMAGE**

We expect Ebensburg Borough to continue to experience change in 2023. We will enter 2023 having completed sewer, stormwater, sidewalk and street resurfacing projects in all areas of town. Stormwater and resurfacing projects will continue through 2023. Residents generally believe it is all for the better and will be pleased with the final results.

A resident recently asked a member of Council, "When will Ebensburg be done?" It is our hope that Ebensburg will never be done because the continued process of seeking out and implementing improvements allows us to be adequately prepared for our future so we can continue to thrive. At the same time, we must also aggressively identify and pursue efficiencies and other cost savings measures to offset inevitable increases in expenses over time. With Ebensburg essentially "built out", we cannot expect that growth in population or businesses will provide the increased revenues needed as we move forward.

## **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 and staff. 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 and we are committed to recognizing their dedication and efforts through appropriate compensation and benefit packages.



## 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 2023 fiscal year, maintains and enhances our key services while working, to the extent possible, 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, with major emphasis on minimizing the impacts of inflation and rising costs. 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