

**CRAFTON BOROUGH
MEMORANDUM**

FROM: RJ Susko, Borough Manager 
SUBJECT: Budget information provided by Borough Manager for April 8, 2019 Council meeting
DATE: April 17, 2019

The following pages are photocopies of the budget information packet provided by the Borough Manager for use in the discussion of an additional police hire at the April 8, 2019 Council meeting. Councilmembers received printouts of this information during the discussion of the motion on the floor.

Council President Levasseur requested cost comparison information regarding departmental employees at the prior Council meeting. In response to additional discussion between meetings, the Manager also prepared information regarding departmental spending across municipalities of similar size. This analysis was completed shortly before the April 8 meeting and therefore was not included in the packets distributed by the Police Chief.

A summary of the following background information was provided to Council verbally at the April 8 meeting:

The information in the comparable departmental expenditures spreadsheets was collected via qualitative analysis of the publicly available budgets of municipalities of similar population size (5,000 to 10,000) within Allegheny County. The primary goal was to compare municipal expenditures on different types of services as a percentage of their overall "purchasing power" per year, instead of looking solely at a municipality's General Fund bottom line.

The intent of this approach is to account for differences in budgeting styles between municipalities. These differences can cause a dollar-for-dollar analysis to be misleading. For example, many municipalities of Crafton's size include their annual paving program in a Capital Improvements Fund rather than a dedicated, reserved Road Fund. It would be inaccurate to compare the size of Crafton's departmental expenditures to that of another municipality without including the total amount of our Road Fund. Similarly, the analysis of how another municipality spends their purchasing power would need to include the portions of their Capital Improvements Fund not paid for by transfers out of their General Fund.

Municipalities may also differ in where they include certain expenses that have the potential to skew the appearance of overall departmental expenditures. This approach attempts to account for these differences by excluding expenses not related to services delivered by each department. Therefore, the departmental numbers given for each municipality should be treated as a qualitative understanding that may not exactly match their section totals or total bottom line.

This analysis technique may be refined and achieve greater accuracy if additional time is invested in research and direct discussions with other municipal managers. Currently the data is presented in a relatively technical format; readers are encouraged to reach out to the Borough Manager with any questions or requests for explanation.

The administrative office has reproduced the printouts via photocopy as clearly as borough office equipment allows. If you have further questions about the financial analysis contained in this packet, feel free to contact the office of the manager at 412-921-0752 x19 or send an email to rsusko@craftonborough.com.

Road Fund comparisons

- Using municipalities in Allegheny County, population 5000 - 10,000 (ALOM Cat 2).
- 2019 adopted budgets if available, 2018 if not
- Crafton RF total excludes GLG grant + 2018 paving program uncompleted work.
- Capital Projects budget amounts in the "Road/CP Fund" column exclude any General Fund transfer revenues.

Municipality	General Fund	Road Fund?	Road/CP Fund	Liquid Fuels (non GF)	Funds Total	Annual paving	% of GF + RF	Millage (GF)	Millage (Road)	Population	Spend per capita
Bellevue	\$6,355,742	N	\$0	\$284,000	\$6,639,742	\$375,000	5.65%	4.89	0.00	8,368	\$44.81
Brentwood	\$9,033,400	N / Cap Proj	\$0	\$255,000	\$9,288,400	\$520,000	5.60%	10.00	0.00	9,641	\$53.94
Bridgeville	\$2,868,152	N	\$0	\$0	\$2,868,152	\$150,837	5.26%	6.50	0.00	5,148	\$29.30
Collier Twp	\$8,949,185	N / Cap Proj	\$0	\$0	\$8,949,185	\$400,000	4.47%	3.13	0.00	7,114	\$56.23
Coraopolis	\$5,526,077	N	\$0	\$0	\$5,526,077	\$400,000	7.24%	12.50	0.00	5,675	\$70.48
Crafton	\$4,590,719	Y	\$498,160	\$0	\$5,088,879	\$445,000	8.74%	5.67	1.92	5,949	\$74.80
Dormont	\$10,139,719	N / Cap Proj	\$0	\$0	\$10,139,719	\$566,476	5.59%	9.97	0.00	8,591	\$65.94
Findlay Twp	\$11,003,198	N / Cap Proj	\$2,026,430	\$0	\$13,029,628	\$382,000	2.93%	1.60	0.00	5,071	\$75.33
Forest Hills	\$6,241,923	Y	\$310,100	\$0	\$6,552,023	\$260,000	3.97%	7.00	1.00	6,516	\$39.90
Fox Chapel	\$8,689,800	N	\$0	\$0	\$8,689,800	\$1,740,300	20.03%	2.95	0.00	5,393	\$322.70
Kennedy Twp	\$3,933,380	N	\$0	\$0	\$3,933,380	\$325,000	8.26%	2.25	0.00	7,678	\$42.33
Marshall Twp	\$8,627,177	N	\$0	\$0	\$8,627,177	\$944,000	10.94%	1.42	0.00	6,948	\$135.87
Oakmont	\$4,756,704	N / Cap Proj	\$365,250	\$190,000	\$5,311,954	\$295,000	5.55%	3.73	0.00	6,303	\$46.80
Pleasant Hills	\$8,223,793	N / Cap Proj	\$0	\$237,023	\$8,460,816	\$377,500	4.46%	6.75	0.00	8,270	\$45.65
West View	\$3,778,134	N	\$0	\$189,817	\$3,967,951	\$250,000	6.30%	5.40	0.00	6,771	\$36.92
Wilkins Twp	\$5,683,000	N	\$0	\$0	\$5,683,000	\$318,600	5.61%	5.674	0.00	6,357	\$50.12
AVERAGE:	\$6,775,006				\$7,047,243	\$361,815	6.04%	6.85	Sample size too small	6,862	\$52
CRAFTON DIFFERENCE:	-\$2,184,287				-\$1,958,364	\$83,185	2.71%	-1.18		-913	\$22
DIFFERENCE (PERCENT):	-32.24%				-27.79%	22.99%	44.82%	-17.24%		-13.31%	42.96%

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- * Crafton paving program averaged over last 3 years due to GLG match in 2019.
 - ** Calculated major outliers excluded from averages are marked red - see below.
 - *** Boroughs ONLY - Twp land size not comparable.
 - **** Bridgeville levies a separate 10 mills on land value.
- General notes**
1. Fox Chapel and Marshall Twp exceed the outer fence boundary for annual paving program size (\$916,900) and therefore is statistically a major outlier.
 2. The percentage of General + Road/Capital Projects budgets column includes Marshall Twp as the percentage alone doesn't qualify as a major outlier. If Marshall is excluded from this column, the average percent of budget spent annually on road paving programs is 5.76%.
 3. Note approx. \$230,000 of reserve drawdown in 2019 for Crafton. Without reserve drawdown revenue, Crafton's % of GF + RF total is 9.16%.

	Population	Police spend	Police %	Per capita	Fire spend	Fire %	Per capita	PW spend	PW %	Per capita
Belleuve	8,368	\$1,361,922	20.51%	\$162.75	\$333,864	5.03%	\$39.90	\$789,055	11.88%	\$94.29
Brentwood	9,641	\$2,319,850	24.98%	\$240.62	\$193,550	2.08%	\$20.08	\$1,141,900	12.29%	\$118.44
Collier Twp	7,114	\$2,031,934	22.71%	\$285.62	\$390,000	4.36%	\$54.82	\$1,145,879	12.80%	\$161.07
Coraopolis	5,675	\$1,618,522	29.29%	\$285.20	\$70,100	1.27%	\$12.35	\$501,458	9.07%	\$88.36
Crafton	5,949	\$1,462,577	28.74%	\$245.85	\$227,200	4.46%	\$38.19	\$768,130	15.09%	\$129.12
Dormont	8,591	\$2,297,769	22.66%	\$267.46	\$968,917	9.56%	\$112.78	\$893,845	8.82%	\$104.04
Findlay Twp	5,071	\$3,127,575	24.00%	\$616.76	\$312,289	2.40%	\$61.58	\$1,265,628	9.71%	\$249.58
Forest Hills	6,516	\$1,954,909	29.84%	\$300.02	\$5,000	0.08%	\$0.77	\$840,346	12.83%	\$128.97
Fox Chapel	5,393	\$1,679,600	19.33%	\$311.44	\$133,200	1.53%	\$24.70	\$2,298,700	26.45%	\$426.24
Kennedy Twp	7,678	\$971,000	24.69%	\$126.47	\$185,000	4.70%	\$24.09	\$527,200	13.40%	\$68.66
Marshall Twp	6,948	\$1,295,316	15.01%	\$186.43	\$385,079	4.46%	\$55.42	\$1,363,731	15.81%	\$196.28
Oakmont	6,303	\$1,478,490	27.83%	\$234.57	\$135,850	2.56%	\$21.55	\$724,934	13.65%	\$115.01
Pleasant Hills	8,270	\$2,875,480	33.99%	\$347.70	\$246,774	2.92%	\$29.84	\$857,706	10.14%	\$103.71
West View	6,771	\$1,372,886	34.60%	\$202.76	\$98,000	2.47%	\$14.47	\$732,775	18.47%	\$108.22
Wilkins Twp	6,357	\$2,132,400	37.52%	\$335.44	\$184,100	3.24%	\$28.96	\$1,107,500	19.49%	\$174.22
AVERAGE:	6,976	\$1,865,349	26.38%	\$252.31	\$207,143	2.97%	\$30.48	\$904,292	13.10%	\$131.43
CRAFTON DIFFERENCE:	-1,027	-\$402,772	2.36%	-\$6.46	\$20,057	1.50%	\$7.71	-\$136,162	1.99%	-\$2.31
DIFFERENCE (PERCENT):	-14.73%	-21.59%	8.95%	-2.56%	9.68%	50.40%	25.30%	-15.06%	15.19%	-1.76%

* Crafton spend WITH 10 months new officer.
Without officer: 27.81% of budget, \$234.81 per capita.

Yellow = paid fire dept. Red = outlier
Orange = paid fire dept. / outlier

- Belleuve and Dormont paid FD.

Spend w/o ofc \$1,396,889
Spend w/o ofc \$5,023,191

PD % 27.81%
\$234.81

IQR numbers (for statistical outlier calculations ONLY - refer to chart above for final analysis)

PD spend	PD %	PD Cap	Fire spend	Fire %	Fire Cap	PW Spend	PW %	PW Cap
\$1,417,732	22.68%	\$219	\$134,525	2.24%	\$21	\$750,453	11.01%	\$104
\$2,215,085	29.56%	\$306	\$323,077	4.46%	\$47	\$1,143,890	15.45%	\$168
\$797,353	6.88%	\$87	\$188,552	2.22%	\$27	\$393,437	4.44%	\$64
\$221,702	12.36%	\$88	-\$148,302	-1.10%	-\$19	\$160,297	4.35%	\$8
\$3,411,114	39.88%	\$436	\$605,904	7.80%	\$87	\$1,734,045	22.11%	\$263

Deficit calculations

Provided 4/8/19

Non-recurring revenues and expenses from 2019 budget:

Revenues

Mini-grant	\$2,000
Capital fund trsf	\$13,469
Reserve drawdown	<u>\$215,870</u>
	\$231,339

Expenses

Police car (extra)	\$35,000	
Blight demo	\$25,000	55 is pretty high - maybe 30k would be enough for 2 non-hillside demos
Tree inventory	\$6,000	
Duncan - principal	\$136,062	
Duncan - interest	<u>\$1,047</u>	
	\$203,109	

Operating deficit of:	\$28,230	INCLUDES 10 months of new officer per final adopted budget
add approx	<u>\$15,000</u>	for full 12 months of new officer
	\$43,230	

NOTE: This is based on 2019's operating expenses - general year-to-year fluctuations or a more accurate picture of revenues/expenses gained after the 2019 budget cycle may create mild variations in this deficit projection.

Overall, revenues projected using new and consistent formulas for 2019 have been on target month-to-month.

Provided 4/8/19

	Public Works wages (starting April 1)			
	2019	2020	2021	2022
Wages/Salary	\$53,394	\$54,996	\$56,639	\$58,344
OT (avg per employee)		\$2,000		
Health insurance		\$18,500		
Payroll taxes	\$4,250	\$4,360	\$4,480	\$4,610
Uniform allowance		\$350		
Annual total	<u>\$78,494</u>	<u>\$80,206</u>	<u>\$81,969</u>	<u>\$83,804</u>

	Police salary (assumes 3% per year for patrolman)				
	1st year	2nd year	3rd year	4th year	Full pay
Wages/Salary	\$39,686	\$67,930	\$76,572	\$83,509	\$92,787
OT (avg per employee)		\$2,500			
Health insurance		\$21,500			
Payroll taxes	\$3,230	\$5,390	\$6,051	\$6,580	\$7,290
Uniform allowance	\$4,286		\$1,050		
Annual total	<u>\$67,966</u>	<u>\$98,370</u>	<u>\$107,673</u>	<u>\$115,139</u>	<u>\$125,127</u>
1st year - start date mid-April OR full first year pay	<u>\$84,307</u>				