



MUNICIPALITY of MURRYSVILLE

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2017 Budget Message

I am pleased to present to Council the proposed 2017 Budget in the amount of \$13,987,627. This document does not include a proposed tax increase.

The guiding principles for developing the budget were:

- Provide the highest level of services in the most cost effective manner;
- Balance current year expenditures with current year revenues; and
- Project a five year plan which maintains the required fund balance.

Beginning in 2017, the manner in which the Murrysville Library and Medic One is funded is recommended to be changed. In the past, these two entities had one (1) mill of dedicated taxes assigned between them in the "Special Purpose Fund". For several reasons, it is proposed the Special Purpose Fund be eliminated and the dedicated millage reallocated to the General and the Capital Reserve Funds. The General Fund millage will increase from 7.05 to 7.25 mills and the Capital Reserve millage will increase to 2.70 mills from 1.90.

- The annual allocation to the Library will continue, but be paid directly from the General Fund. It will be equivalent to 75% of an agreed upon five (5) year budget prepared by the Library Board. Each year of the five year budget is not to increase by more than three percent.
- Medic One will no longer receive dedicated millage or a gasoline allotment but rather will receive \$63,000 annually to be used towards operational needs including vehicle purchases. An additional \$2,000 will be allocated for workers' compensation for the five volunteers.

Revenue Highlights

- With the reallocation of millage into the General Fund, and the 1.80% increase in value of one mill of collected real estate tax revenue, estimated revenues for 2017 are 5% greater than the estimated year end revenue figure for 2016 .
- One mill is estimated to be worth \$326,000 in 2016 and \$332,000 for 2017. This increase is the result of several commercial developments throughout the area, and the construction of 38 new homes.

Message (continued)

- Total Local Taxes are anticipated to increase 3.46% from estimated year-end collections for 2016. Earned income taxes comprise the majority of these local taxes and are the anticipated to increase 4% over 2016.
- The majority of revenues in the other funds are from real estate tax collections and state allocations. These are projected to remain consistent with prior year estimates.

Table 1 illustrates the breakdown of the various revenue types and the allocation of the total real estate tax collections among the five funds that receive dedicated millage.

Expenditure Highlights:

Changes worth mentioning among the General Fund departments are:

- The Engineering Department will undergo changes in 2017 with the planned retirement of the Construction Manager. The Administration will determine whether to hire an Engineer and/or an Engineer Technician to staff the department once the market of potential applicants is surveyed.
- The Community Development Department will see an increase in the duties and hours from the Planning Consultant.
- Overall salaries are budgeted to increase 2.5% to 3.0% based on collective bargaining agreements.
- Codification costs are expected to increase with the enactment of the Oil and Gas Ordinance and other zoning ordinance updates.
- The contribution to the Library returns to the General Fund in 2017.
- A new line item for the Fire Departments titled Municipal Maintenance Contribution was added in 2017. This funding is for non-routine maintenance costs incurred by the three Fire Departments. It will be paid on June 1st.
- A similar line item was added for Medic One titled Municipal Contributions. This will replace the dedicate millage and the annual gasoline allotment. It can be used for operational costs as needed. This payment will be paid to Medic One on June 1st of each year.

Message (continued)

- The installation of the new signalization and the digital sign on Route 22 will minimally increase the costs of both internet and cable. These costs are included in the Public Information Departmental costs.
- Advertising costs were increased for several departments including Recreation to fund a professional type semi- annual brochure advertising recreational programs, municipal information, special news worthy articles, etc.
- The transfer to Capital Reserve was increased with 50% going to increase the Road and Bridge Reserve and the other half going to rebuild the Community Park Reserve for future capital improvements.

Capital Reserve Fund: Capital projects for 2017 total \$3,105,774 and include the road overlay program, crack sealing, specific road improvements; vehicle purchases for fire, police and public works; technology upgrades; and various improvements to the Municipal Building, Public Works' Facility and throughout the parks system.

Other Funds: The expenditures in the other funds are projected to remain consistent with prior year estimates except for the changes already mentioned in the Special Purpose Fund.

Table 2 illustrates total expenditures by fund and the major types of expenditures incurred during the year throughout all seven funds.

Finally, the staff is recommending the Municipality consider the authorization of a \$3.2 million dollar Bond Issue. Rates are currently at historic lows and are forecasted to begin increasing late in the first quarter of 2017.

The purpose of this issue would be to:

- Refinance existing PEMA fire equipment loans;
- Refinance the 2012 borrowing which was used to purchase two fire trucks; and
- Replenish the Emergency Equipment Fund that has come to the end of its 15 year financing schedule.

We have included a separate package outlining the plan at the end of this message. Included are:

- A revised Emergency Equipment Funding schedule;
- The 2012 Loan Amortization Schedule;
- A summary of the outstanding PEMA loans; and
- Preliminary Bond Repayment Schedule provided by Bond Counsel.

This borrowing will mature in 2036 and is anticipated to reduce the annual debt payments through 2024. The remaining payments will not require a tax increase.

I would like to thank the staff, and especially the Finance Director, Diane Heming, for the contributions to this document, for without their help this budget could not have been done.

Respectfully submitted,

Jim Morrison
Chief Administrator

**Municipality of Murrysville
2017 Budget Summary**

	<u>GENERAL</u>	<u>CAPITAL RESERVE</u>	<u>HYDRANT</u>	<u>STATE</u>	<u>RECREATION</u>	<u>DEBT SRVC/ BOND SINK</u>	<u>SPECIAL PURPOSE</u>	<u>TOTAL FUNDS</u>
<u>Revenues:</u>								
Real Estate Taxes	2,488,300	1,094,400	28,000	166,000	0	332,000	0	4,108,700
Local Taxes	5,333,600	0	0	0	0	0	0	5,333,600
Interest	12,000	0	100	2,000	10	140	0	14,250
Intergov. Revenues	1,044,954	125,000	0	848,890	0	0	0	2,018,844
Departmental Earnings	422,900	0	0	0	76,000	0	0	498,900
Interfund Transfers	<u>13,500</u>	<u>1,611,100</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>1,634,600</u>
Total Revenues	9,315,254	2,830,500	28,100	1,016,890	86,010	332,140	0	13,608,894
<u>Expenditures:</u>								
Legislative Body	38,893	0	0	0	0	0	0	38,893
Executive/ Administration	557,966	0	0	0	0	0	0	557,966
Tax Collection	108,000	0	0	0	0	0	0	108,000
Public Information	102,830	0	0	0	0	0	0	102,830
Engineering	227,205	0	0	0	0	0	0	227,205
General Government Bldgs.	297,736	0	0	0	0	0	0	297,736
Police	3,259,280	0	0	0	0	0	0	3,259,280
Fire and Medic One	349,225	0	0	0	0	0	0	349,225
Community Development	353,002	0	0	0	0	0	0	353,002
Public Works/Transit	2,460,870	0	31,800	0	0	0	0	2,492,670
Recreation	117,288	0	0	0	73,000	0	0	190,288
Parks	127,000	0	0	0	0	0	0	127,000
Library	292,960	0	0	0	0	0	7,199	300,159
Contingency Fund	20,000	0	0	0	0	0	0	20,000
Bond Issue Payments	0	0	0	0	0	330,000	0	330,000
Pension Contribution - MMO	492,999	0	0	0	0	0	0	492,999
Pension Reserve	0	0	0	0	0	0	0	0
Capital Expenditures / CIP	0	2,595,774	0	0	0	0	0	2,595,774
Interfund Transfers	510,000	0	0	1,111,100	13,500	0	0	1,634,600
Total Expenditures	9,315,254	2,595,774	31,800	1,111,100	86,500	330,000	7,199	13,477,627
Excess Rev vs. Expend	0	234,726	(3,700)	(94,210)	(490)	2,140	(7,199)	131,267
Unapprop. Reserve Jan 1	3,789,464	4,822,558	43,204	611,433	5,923	66,282	7,199	9,346,063
<u>Designated Fund Balance:</u>								
Capital Projects/Purchases	(400,000)	400,000	0	0	0	0	0	0
Land Purchase	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150,000)</u>
Unapprop. Reserve Dec 31	<u>3,239,464</u>	<u>5,457,284</u>	<u>39,504</u>	<u>517,223</u>	<u>5,433</u>	<u>68,422</u>	<u>0</u>	<u>9,327,330</u>

Column totals may vary slightly due to rounding.

TABLE 1

Municipality of Murrysville
2017 Revenue Sources for all Funds
and
Uses of Real Estate Taxes in all Funds

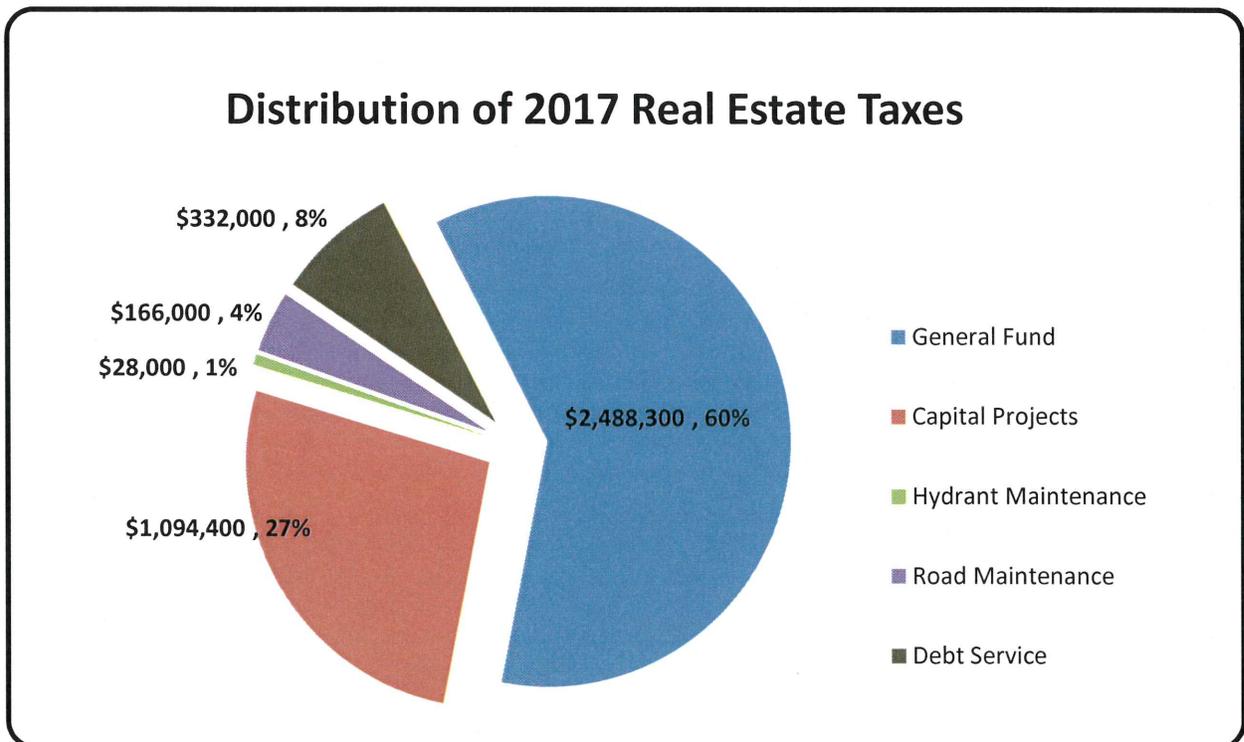
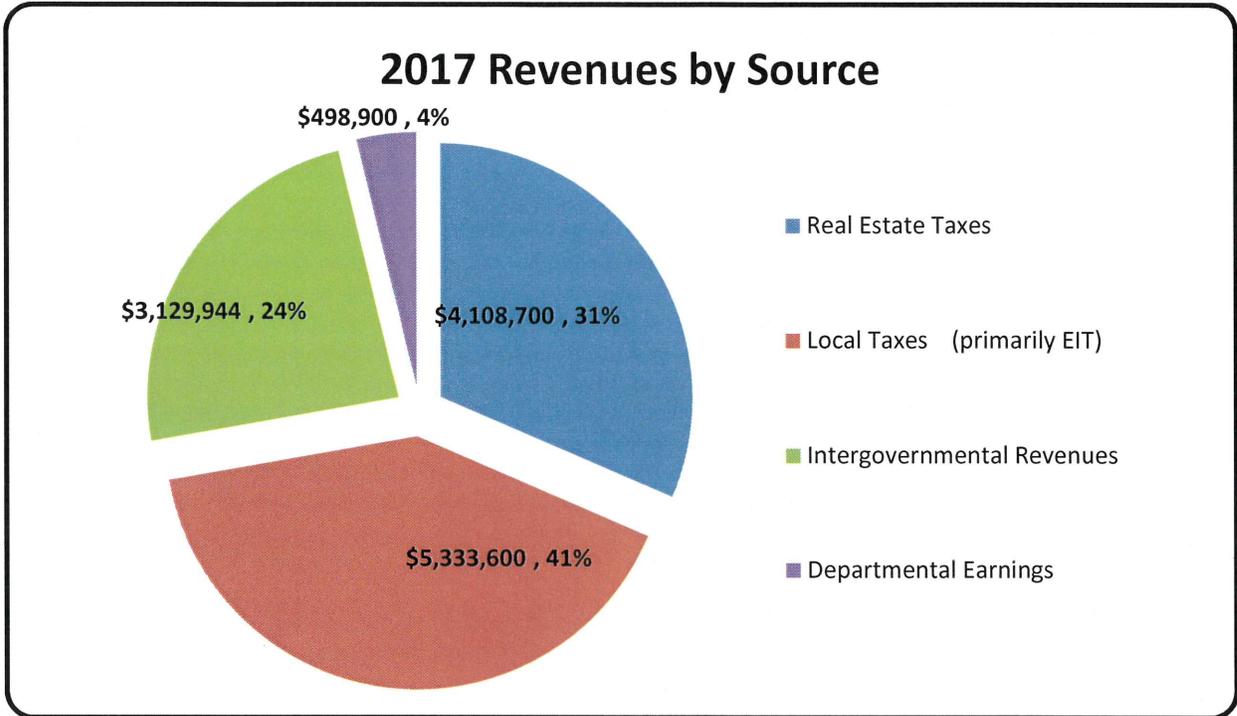


TABLE 2

Municipality of Murrysville
2017 Expenditures by Fund
and
Expenditures by Major Type for all Funds

