

# MUNICIPALITY OF BETHEL PARK

POPULAR ANNUAL FINANCIAL REPORT YEAR ENDED

DECEMBER 31, 2017



GENERAL GOVERNMENT PUBLIC SAFETY PUBLIC WORKS

COMMUNITY DEVELOPMENT RECREATION LIBRARY

Municipality of Bethel Park  
5100 W. Library Avenue  
Bethel Park, PA 15102

Phone: 412-831-6800  
Fax: 412-831-8675  
Website: [www.bethelpark.net](http://www.bethelpark.net)

# TABLE OF CONTENTS

	Page No.
Welcome to the Municipality of Bethel Park.....	3
Community Profile.....	5
How was your Municipality funded for 2017.....	7
How was the money spent for 2017.....	8
Your Property Taxes.....	9
Your Earned Income Taxes.....	10
Accomplishments and Goals.....	11
Summary of Financial Statements	
Statement of Net Assets.....	12
Statement of Activities and Changes in Net Assets.....	13
Enterprise Funds.....	14
Debt Administration.....	15
Contact Information.....	16



# WELCOME TO THE MUNICIPALITY OF BETHEL PARK

Dear Residents,

The Municipality of Bethel Park is proud to present the Popular Annual Financial Report (PAFR) for the year ending December 31, 2017. The purpose of this report is to provide quality financial reporting extracted from the Comprehensive Annual Financial Report (CAFR) designed to be readily accessible and easily readable to the general public and others interested without a financial background. The CAFR is a complete showing of the financial investment and income records from all sources and what has developed over time. The CAFR is primarily focused on what revenue is expected to be brought in and spent for the year.

This report will provide a summary of the Municipality's revenue sources as well as a breakdown of how the money was spent in 2017. As stated above the data reflected was taken from the Municipality's Comprehensive Annual Financial Report (CAFR) that was prepared in conformance with generally accepted accounting principles (GAAP) and includes financial statements audited by Maher Duessel. For complete CAFR, please visit <https://bethelpark.net/departments/administrationfinance/> or the Municipal Building/Library at 5100 W. Library Avenue, Bethel Park, PA 15102.

The Finance Staff at the Municipality continues to improve financial reporting keeping in compliance with auditing standards. The staff has been continuously awarded the Certificate of Achievement for Excellence in Financial Reporting and intends to keep that ongoing.

The Council and Staff of the Municipality recognize the importance of thorough financial reporting in order to improve services and assets to the Community. If you have any questions, please feel free to contact the Municipality at (412) 831-6800 or [manager@bethelpark.net](mailto:manager@bethelpark.net)

Shawn Arbaugh  
Municipal Manager

Judith M. Miller  
Assistant Manager

Joseph A. Villella  
Finance Director



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Municipality of Bethel Park  
Pennsylvania**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morrell*

Executive Director/CEO

# COMMUNITY PROFILE

## History

The Municipality of Bethel Park was founded in 1886 and incorporated as a Borough in 1949. In 1978, the Municipality became a Home Rule Municipality pursuant to its Home Rule Charter dated November 18, 1975. The Municipality continues to operate today under the Charter (as amended). The Municipality currently occupies a land area of 12 square miles and serves a population estimated at 32,313 by the U.S. Census Department.

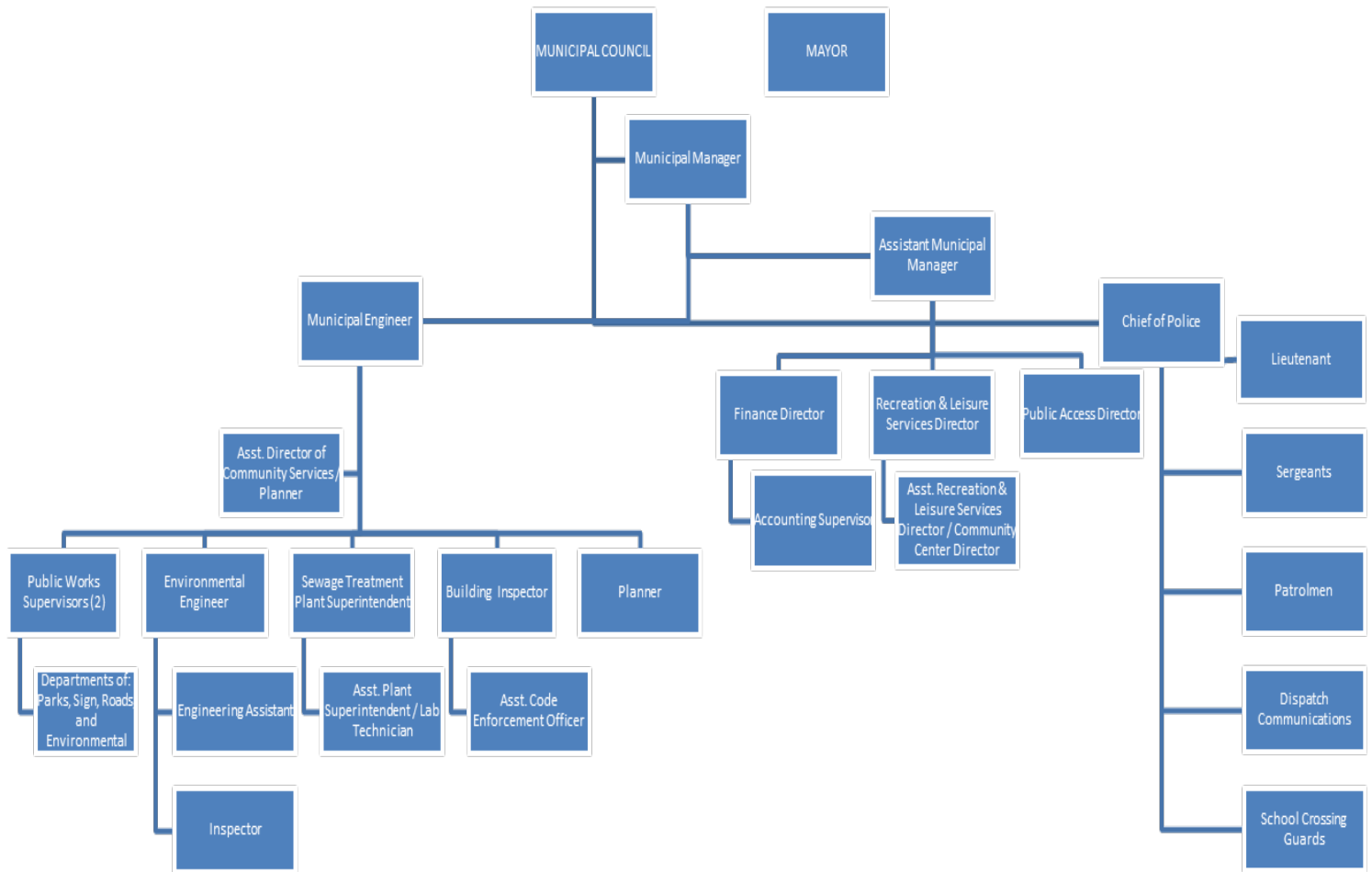
## Government Structure

The Municipality's Home Rule Charter provides for the Council-Manager form of government. Municipal Council is comprised of nine members. Each of the nine members is elected by ward and serve a four-year term. The terms are staggered so that the Council members representing the odd-numbered wards are elected two years apart from the members representing the even-numbered wards. The Charter also calls for a Mayor to be elected at large. The Mayor will vote on Regular Agenda items if necessary, in order to break a tie vote of Council members present.

## Municipality of Bethel Park at a Glance for 2017

Population – 2016 (Latest estimate from the U.S. Federal Census)	32,313
Total Earned Income of Residents (Jordan Tax Service)	\$8,872,836
Allegheny County Unemployment Rate (U.S. Bureau of Labor Statistics)	4.1%
Number of Full-Time Municipal Employees (Municipality of Bethel Park Records)	101
Bethel Park Taxable Real Property (Allegheny County Tax Assessment Office)	\$2,758,139,208
Municipality Streets in Lane Miles (Municipality of Bethel Park Records)	112
Municipality Sanitary & Storm Sewer in Miles (Municipality of Bethel Park Records)	328
Number of Municipal Parks (Municipality of Bethel Park Records)	14

# COMMUNITY PROFILE CONTINUED



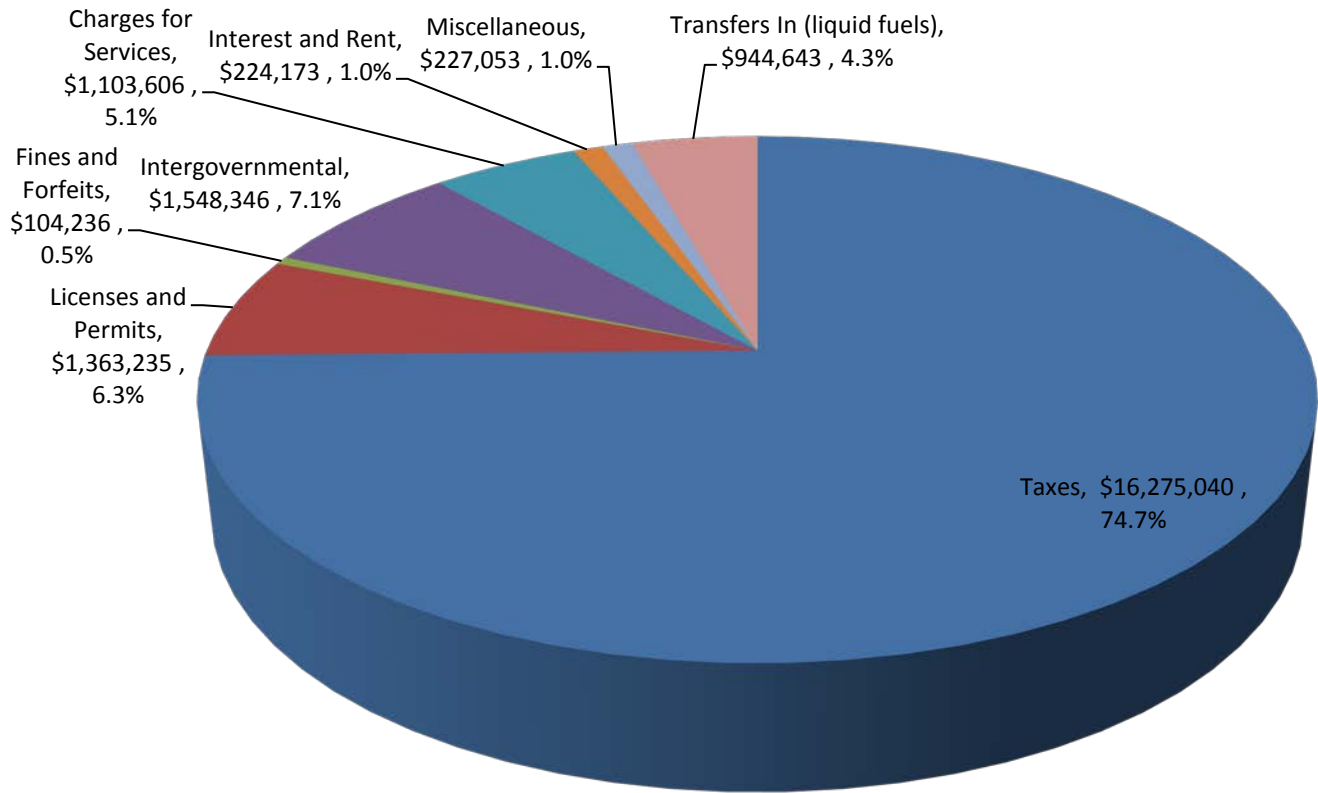
**Bethel Park operates with various fund types that make up the operations of the Municipality.**

**The Government Funds are the General , Capital Reserve, Fire Department, State Highway Aid (liquid fuels), and Transportation District.**

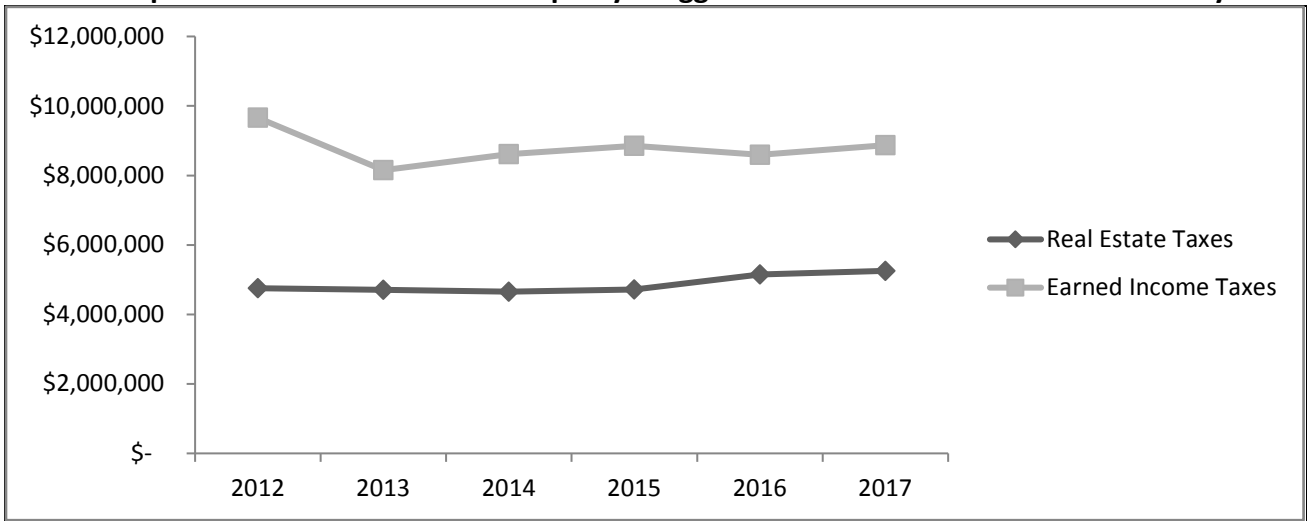
**The Proprietary Fund is the Enterprise-Sanitary Sewer Fund and the Fiduciary Funds are Non-Uniform Employee Pension, Police Pension, Engineer Inspection Fees, and Escrow.**

# HOW WAS YOUR MUNICIPALITY FUNDED FOR 2017?

## 2017 General Fund Revenues

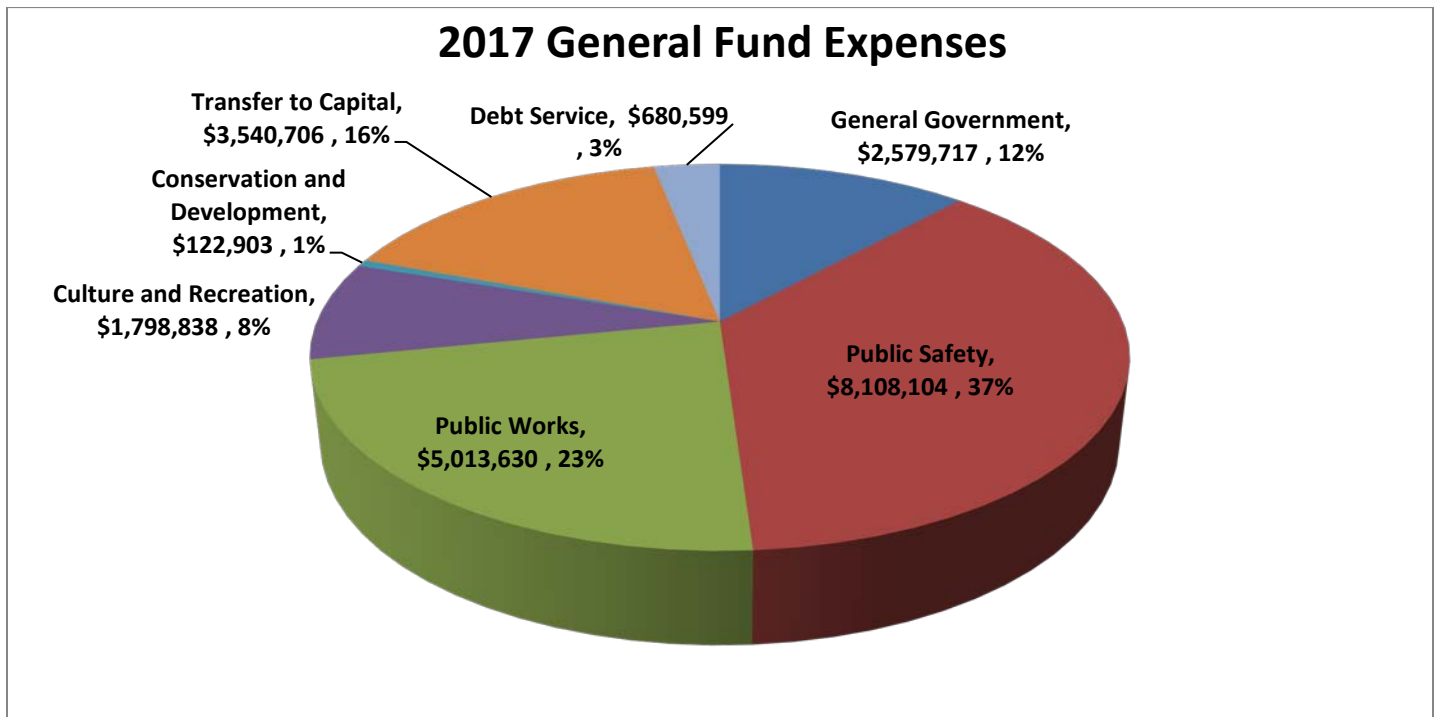


Below represents a trend in the Municipality's biggest source of revenues over the last 5 years.





# HOW WAS THE MONEY SPENT FOR 2017?



The General Fund is the main operating fund of the Municipality. It is used to account for all financial resources to be used for day to day operations for the Municipality, as well as funding the Municipality's Capital Fund.

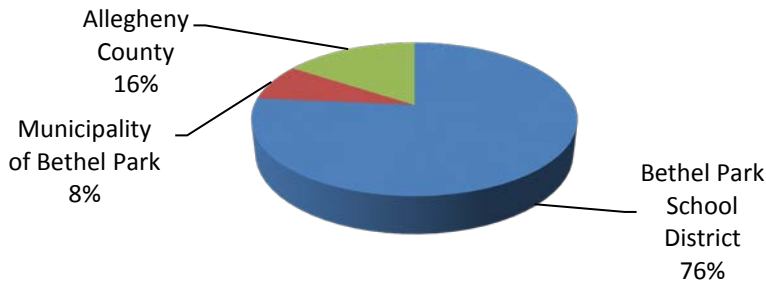
The General Fund is broken down into specific departments which make up the fund. As illustrated in the chart above, Public Safety and Public Works expenditures account for the majority.



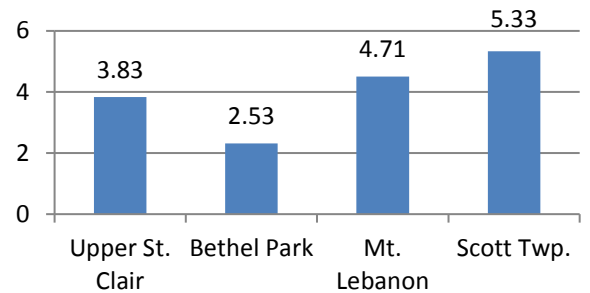


# YOUR PROPERTY TAXES

## Municipality of Bethel Park Real Estate Taxes



## Real Estate Tax Rate and Surrounding Communities



## Real Estate Taxes – Based on \$182,000 Assessment

Taxing Authority	2017 Millage Rate	R.E. Tax
Municipality of Bethel Park	2.53	\$ 460
Allegheny County	4.73	\$ 940
Bethel Park School District	22.8763	\$ 4,580
<b>Total Real Estate Tax</b>	<b>30.1363</b>	<b>\$ 5,980</b>

## Real Estate Tax Historical Information

The Municipality has been successful in keeping property taxes reasonable while still offering high quality services to the residents.



In 2014 the Municipality established a Fire Department Fund within the Municipal Budget and .34 mils of the overall 2.53 mils collected are dedicated, by Ordinance, to pay for expenses associated with the operation of the Bethel Park Volunteer Fire Department facilities.  
Pictured: BP Public Works Facility, completed 2017

# YOUR EARNED INCOME TAXES

## Local Earned Income Taxes on \$75,000

Taxing Authority	2017 EIT Rate	EIT Tax
Municipality of Bethel Park (Act 62 Tax)	0.90%	\$ 675
Bethel Park School District (Act 511Tax)	0.50%	\$ 375
Total Earned Income Tax	1.40%	\$ 1,050

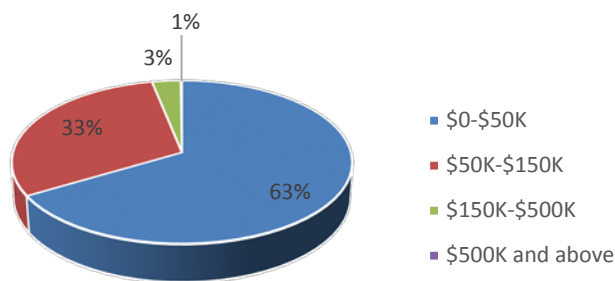
### Earned Income Taxes Overview

In 1965, Act 511 also known as the "Local Tax Enabling Act (LTEA) was enacted into law to provide Pennsylvania municipalities and school districts a mean of funding their operations by levying certain types of taxes defined by the Act. In 1978, the Municipality adopted an additional tax under the authority of Act 62. Both acts allow the Municipality of Bethel Park and the Bethel Park School Distract the ability to levy taxes on all employee earned income of its residents and net profits earned by its residents from unincorporated businesses and professionals.

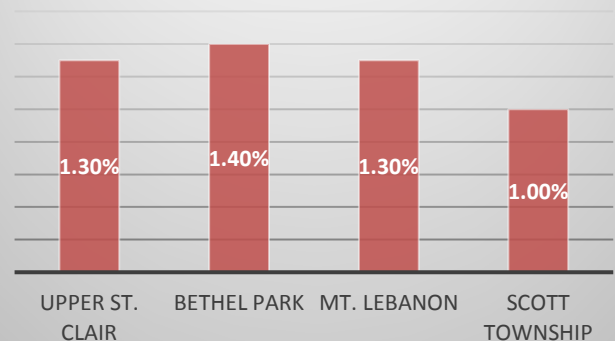
The Municipality currently levies an Act 62 Tax of .90% and the Bethel Park School District levies a tax of .50%. The total EIT tax rate for Bethel park residents is 1.40%

In 2012, Act 32 of 2008 was put into place which requires uniform withholding of earned income taxes (EIT) and remittance to a single local collector or Tax Officer. The Act applies to the earned income taxes levied and collected after December 31, 2011.

Earned Income Collection  
Percentage of Total Tax Payments  
by Income Range 2016-2017



## 2017 Earned Income Tax Rates Surrounding Municipalities



# ACCOMPLISHMENTS AND GOALS — HIGHLIGHTS

## **2017 Accomplishments**

The new Public Works Complex construction has been completed and is fully operational.

Cable Department recently expanded and relocated its office space to the area formerly occupied by Magistrate District Court 5-2-20. It also developed a fully functional TV studio.

BPTV recently reached a milestone with their You Tube Channel with over 1 million views of content.

Police Department installed a new traffic security camera system in conjunction with Upper St Clair Township around the South Hills Village Shopping Center

Police Department renovated the firing range at the Municipal Building with help of Gaming Economic Development Grant.

The Municipal Planning Department will finalize a park improvement study for the municipal parks. The study seeks to secure input from community stakeholders in effort to provide a comprehensive recreational needs analysis. Results of the study will be utilized to plan capital improvements to the Municipality's parks/recreation system.

## **2018 Goals**

Cable Department is looking to secure a grant to upgrade the studio lighting through the Bethel Park Community Foundation.

Complete installation of a regulation size synthetic turf Soccer/Lacrosse field, along with walking path and restroom/concession stand renovations at Village Green Park.

Complete upgrades to playground equipment at Simmons Park.

Police department plans on joining the SHACOG (South Hills Area Council of Governments) in a joint testing along with several other local municipalities in an effort to keep officers trained and keeping residents more safe.

Police Department plans on adding more cameras along Route 88 and Baptist Roads in an effort to help keep the Municipality's residents safe.

# STATEMENT OF NET POSITION

DECEMBER 31, 2017

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,946,941	\$ 5,563,476	\$ 15,510,417
Investments - restricted	1,437,716	1,193,461	2,631,177
Receivables, net; for sewer allowance:			
Taxes	1,865,369	-	1,865,369
Sewer charges	-	2,342,202	2,342,202
Other	311,737	214,246	525,983
Prepaid expenses	343,640	107,554	451,194
Capital assets:			
Non-depreciable	2,781,979	1,676,959	4,458,938
Depreciable, net of accumulated depreciation	30,450,048	39,359,329	69,809,377
<b>Total Assets</b>	<b>47,137,430</b>	<b>50,457,227</b>	<b>97,594,657</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources for pension	3,171,462	286,225	3,457,687
Deferred charge on refunding	941,745	-	941,745
<b>Total Deferred Outflows of Resources</b>	<b>4,113,207</b>	<b>286,225</b>	<b>4,399,432</b>
<b>Liabilities</b>			
Accounts payable	337,711	581,413	919,124
Accrued liabilities	147,027	17,386	164,413
Due to other governmental units	-	169,672	169,672
Accrued interest payable	45,998	422,547	468,545
Unearned revenue	86,135	-	86,135
Long-term liabilities - due within one year:			
Bonds payable	405,000	1,275,000	1,680,000
Note payable	131,150	-	131,150
Compensated absences	48,732	-	48,732
Long-term liabilities - due in more than one year:			
Bonds payable	17,715,000	36,335,000	54,050,000
Note payable	2,623,074	-	2,623,074
Compensated absences	339,003	116,093	455,096
Net pension liability	5,702,272	393,601	6,095,873
OPEB obligation	1,968,138	-	1,968,138
<b>Total Liabilities</b>	<b>29,549,240</b>	<b>39,310,712</b>	<b>68,859,952</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources for pension	2,328,136	438,047	2,766,183
<b>Net Position</b>			
Net investment in capital assets	13,793,612	4,181,972	17,975,584
Restricted for:			
Liquid fuels program	540	-	540
Transportation district	193,074	-	193,074
Volunteer fire department operations	579,441	-	579,441
Unrestricted	4,806,594	6,812,721	11,619,315
<b>Total Net Position</b>	<b>\$ 19,373,261</b>	<b>\$ 10,994,693</b>	<b>\$ 30,367,954</b>

# STATEMENT OF ACTIVITIES

DECEMBER 31, 2017

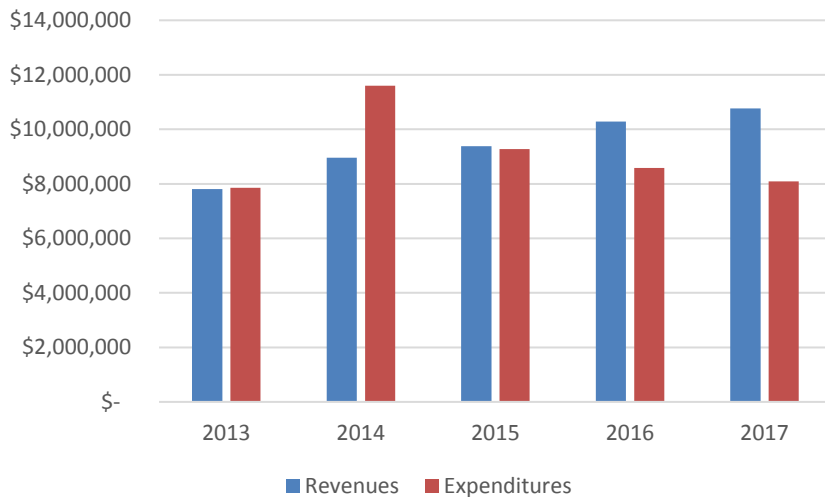
Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 3,545,933	\$ 16,650	\$ 217,680	\$ -	\$ (3,311,603)	\$ -	\$ (3,311,603)
Public safety	9,297,521	600,987	378,110	79,342	(8,239,082)	-	(8,239,082)
Public works	7,534,704	427,568	939,567	65,145	(6,102,424)	-	(6,102,424)
Culture and recreation	2,009,597	701,170	23,960	114,101	(1,170,366)	-	(1,170,366)
Conservation and development	132,539	-	-	-	(132,539)	-	(132,539)
Interest on long-term debt	1,002,414	-	-	-	(1,002,414)	-	(1,002,414)
Total governmental activities	23,522,708	1,746,375	1,559,317	258,588	(19,958,428)	-	(19,958,428)
<b>Business-Type Activities:</b>							
Sewer services	8,089,527	10,439,806	50	997	-	2,351,326	2,351,326
<b>Total</b>	<b>\$ 31,612,235</b>	<b>\$ 12,186,181</b>	<b>\$ 1,559,367</b>	<b>\$ 259,585</b>	<b>(19,958,428)</b>	<b>2,351,326</b>	<b>(17,607,102)</b>
General revenues:							
Taxes:							
Property taxes					6,109,540	-	6,109,540
Earned income taxes					8,872,836	-	8,872,836
Real estate transfer taxes					1,469,351	-	1,469,351
Local services taxes					618,879	-	618,879
Other taxes					60,220	-	60,220
Grants, subsidies, and contributions not restricted to specific programs					927,496	-	927,496
Investment earnings					207,236	322,074	529,310
Franchise fees					838,939	-	838,939
Miscellaneous income					225,329	-	225,329
Total general revenues					19,329,826	322,074	19,651,900
<b>Change in Net Position</b>					(628,602)	2,673,400	2,044,798
<b>Net Position:</b>							
Beginning of year					20,001,863	8,321,293	28,323,156
End of year					\$ 19,373,261	\$ 10,994,693	\$ 30,367,954

**Governmental Activities** - This category is where the majority of sources are included, such as general government, public safety, public works, community development, recreation, library, and street lights. The major revenue sources for this category comes from EIT and RET Taxes.

**Business Type Activities** - The Municipality operates a sanitary sewer system where the majority of this fund is supported by fees to users of the system.

# ENTERPRISE FUNDS

Enterprise Sewer Fund Operating Revenues and Expenditures over last 5 years

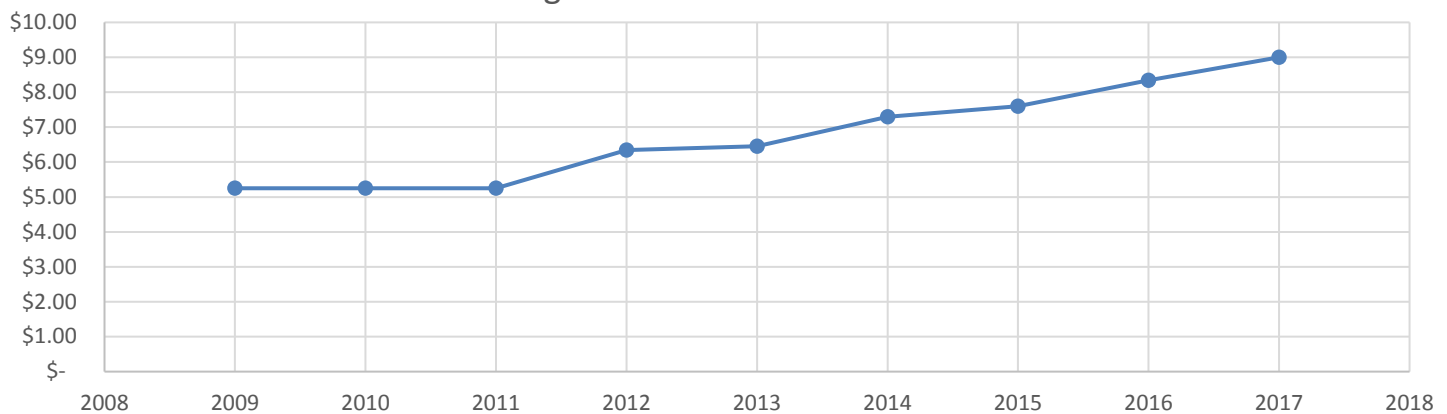


## Enterprise Funds

The Municipality uses an Enterprise Fund that incorporates all revenues and expenditures associated with the operation of the Municipalities Sanitary Sewer Collection and Treatment System. Revenues are derived from Sanitary Sewer utilization fees which are assessed based on water utilization information provided by PA American Water Company. The expenditures that are associated with all operations for the Sanitary Sewer Treatment Plant as well as administrative expenses, debt service, and payments to Alcosan. The goal of the Enterprise Fund is to be self-supporting and all expenses necessary to operate depend on the revenues that support the Fund.

The Chart above reflects the Enterprise Sewer Fund Operating Revenues and Expenses over the last 5 years. In 2014 there were significant Capital Improvements to upgrade and maintain the sewer system as well as large increases to Alcosan Fees. The sewage fees to usage have been modestly increase since then to help maintain costs to upgrades going forward in cases of both emergencies and new regulations imposed by the Department of Environmental Protection along with the Commonwealth of PA.

Sewage Rate Over The Last 9 Years



## Municipality of Bethel Park Sewage Fees

Sewer fees are charged to all owners of property connected with the sewers, sewage system and sewage treatment works as owned or leased by the Municipality of Bethel Park.

In 2017, Owners are charged a Sewage Service fee of \$15 per premise. The service fees cover all operation and maintenance of wastewater discharged into the sanitary sewer system. The owners are also charged a Sewage Usage fee based on a rate per 1,000 gallons per month used. The rates in 2017 \$9.00/1,000 gallons.

# DEBT ADMINISTRATION

## Outstanding Debt as of December 31, 2016 - Issued for Projects

**General Obligation Bonds** - Includes a 1999 Series B Bond which was to be used to complete the Oxford Drive transportation project. All debt service is paid by the participant landowners in the district, a 2013 General Obligation Bond for the construction of a new building for the Municipality of Bethel Park Volunteer Fire Department, and a 2015 Series to be used for the acquisition, development, construction, and equipping of the public works building and capital improvements at the community center.

\$18,120,000

**Note Payable** - Includes a 2007 note to finance the construction for the Community Center Phase 2 project.

\$2,754,224

**Guaranteed Sewer Revenue Bonds** - Includes refunding Series of 2012 and 2013 for the operation of the Municipality's Sanitary Sewer Collection and Treatment System as well as all projects associated with the maintenance and upkeep of the system

\$37,610,000

Total \$58,484,224

## Pension Plans

Defined Benefit Pension Programs	Net Pension Liability
Non Uniform Members (108)	\$1,312,003
Police Officers (68)	\$4,783,870
OPEB, Other Post-Employment Benefits	\$1,968,138

In 2017 the Municipality maintained an "AA" Stable Rating from the S&P. An Obligor that has an "AA" rating means the Municipality has a very strong capacity to meet its financial commitments.



# MUNICIPAL CONTACT INFORMATION

## 2017 Municipal Council

<b>Timothy J. Moury</b>	Ward 8	President
<b>James P. Hannan</b>	Ward 3	Vice President
<b>Joe Consolmagno</b>	Ward 1	
<b>Brandon T. Colella</b>	Ward 2	
<b>Paul J. Dixon</b>	Ward 4	
<b>Donald L. Harrison</b>	Ward 5	
<b>Mark J. O'Brien</b>	Ward 6	
<b>James McLean</b>	Ward 7	
<b>Lorie A. Gibbons</b>	Ward 9	
<b>Jack T. Allen</b>		Mayor

## 2017 Municipal Staff Directory

		Ext.
<b>Shawn Arbaugh</b>	Municipal Manager	137
<b>Judith L. Miller</b>	Asst. Municipal Manager	201
<b>Timothy O'Connor</b>	Chief of Police	100
<b>Joseph A. Villella</b>	Director of Finance	210
<b>Charles Stover</b>	Director of Recreation	230
<b>Stacey Graf</b>	Municipal Engineer	136
<b>Todd Carter</b>	Code Enforcement Officer	133
<b>Ashely Moore</b>	Municipal Planner	382
<b>David Cable</b>	Public Access Television	360

## Other Important Municipal Numbers

### **Municipality of Bethel Park**

5100 W. Library Avenue  
Bethel Park, PA 15102  
412-831-6800  
412-831-8675 fax

### **Bethel Park Community Center**

Cathy Muscato, Director  
5151 Park Avenue  
Bethel Park, PA 15102  
412-851-2910

### **Bethel Park Public Library**

Christine McIntosh, Director  
412-835-2207

### **Emergency**

Fire, Police, EMS  
412-833-2000 or 911

### **Municipal Solicitor**

Tucker Arensberg, P.C.  
Robert McTiernan  
412-566-1212

### **Tri-Community South EMS**

Nora Helfrich, Director  
412-831-3710

### **Jordan Tax Service**

7100 Baptist Road  
Bethel Park, PA 15102  
412-835-5243 or 724-731-2300