

MUNICIPALITY OF BETHEL PARK

POPULAR ANNUAL FINANCIAL REPORT YEAR ENDED

DECEMBER 31, 2018



GENERAL GOVERNMENT PUBLIC SAFETY PUBLIC WORKS

COMMUNITY DEVELOPMENT RECREATION LIBRARY

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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, 2018. 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 2018. 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

Judith M. Miller
Assistant Manager

Joseph A. Villella
Finance Director



Government Finance Officers Association

**Certificate of
Achievement for
Excellence in Financial
Reporting**

Presented to

**Municipality of Bethel Park
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

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 2018

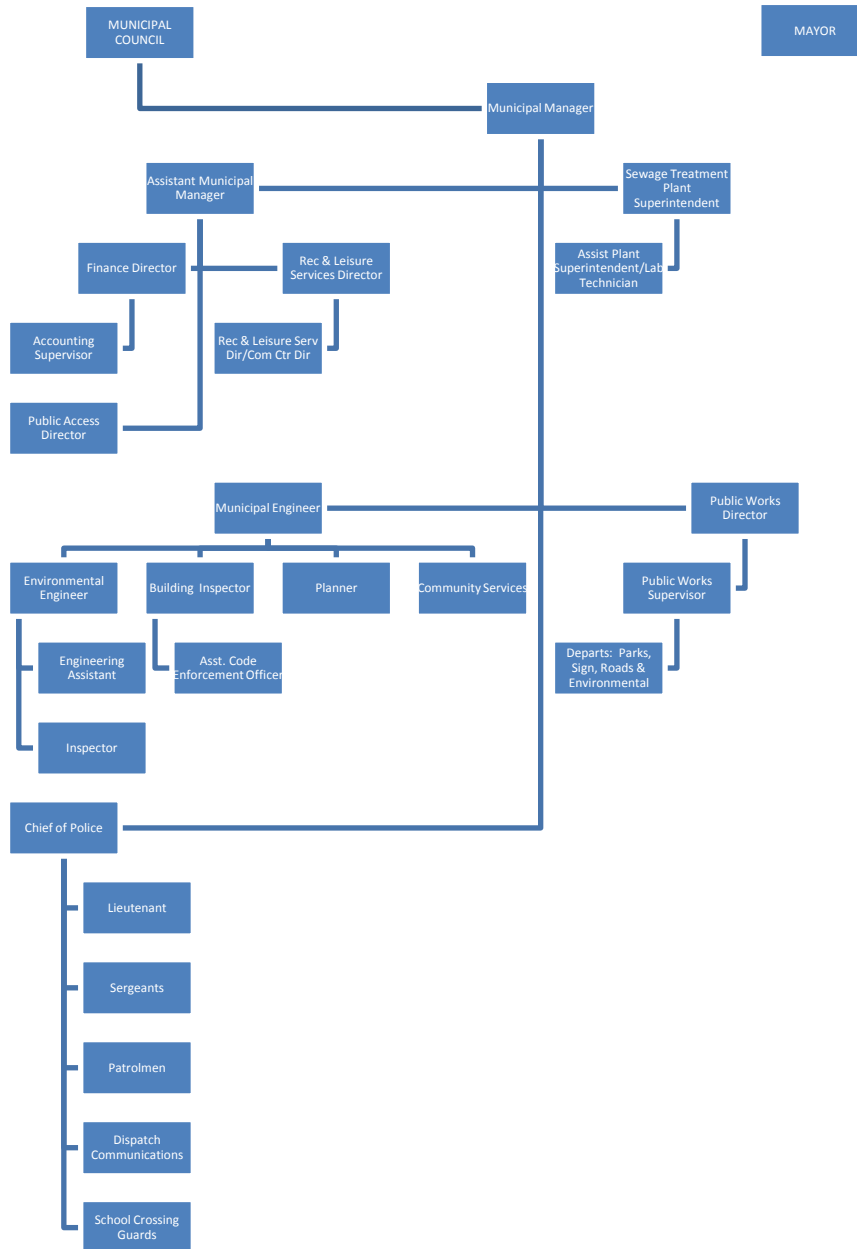
Population – 2018 (Latest estimate from the U.S. Federal Census)	32,313
Total Earned Income of Residents (Jordan Tax Service)	\$9,001,586
Allegheny County Unemployment Rate (U.S. Bureau of Labor Statistics)	3.5%
Number of Full-Time Municipal Employees (Municipality of Bethel Park Records)	101
Bethel 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

MUNICIPALITY OF BETHEL PARK

ORGANIZATION CHART

AS OF DECEMBER 31, 2018

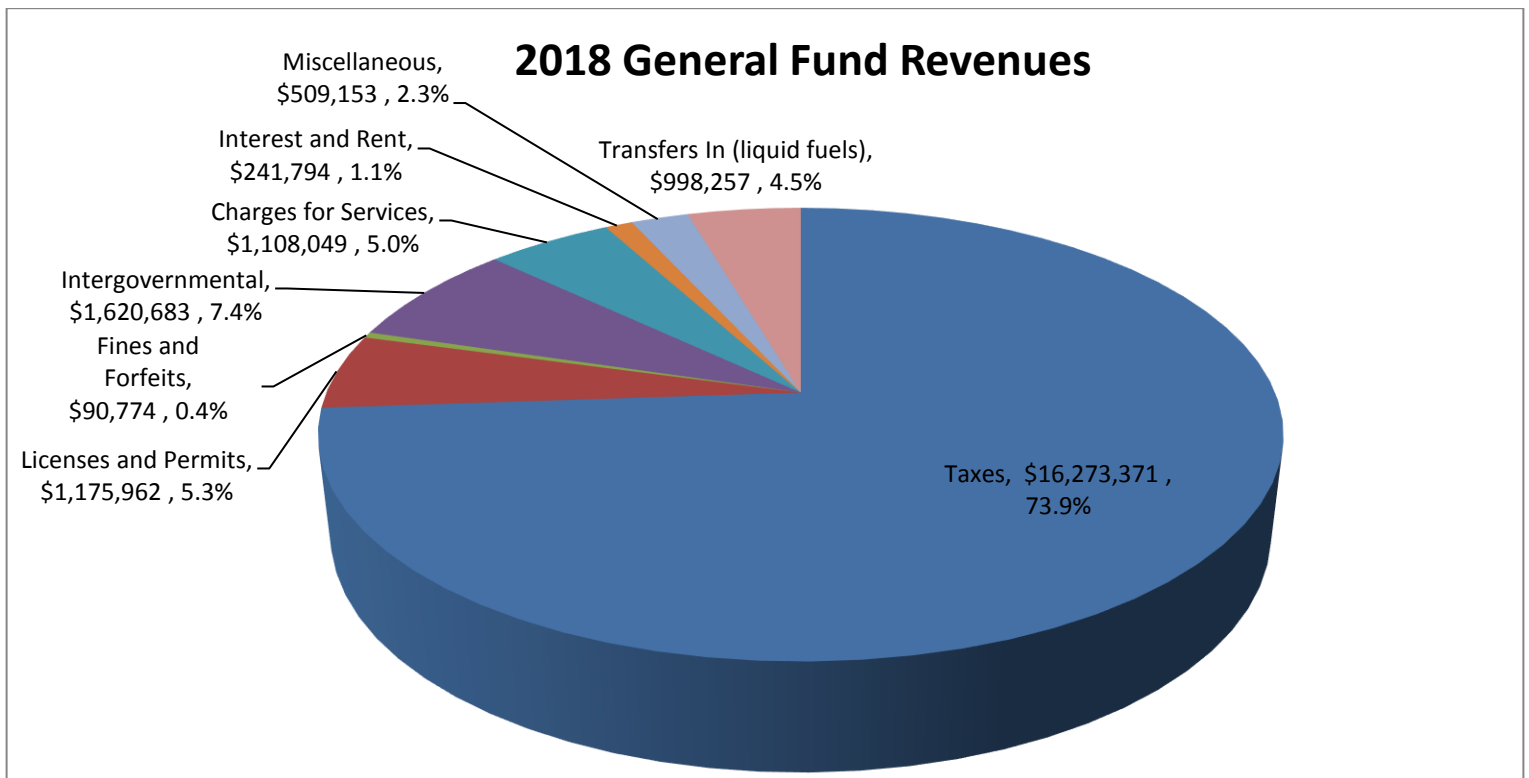


Bethel Park operates with various fund types that make up the operations of the Municipality.

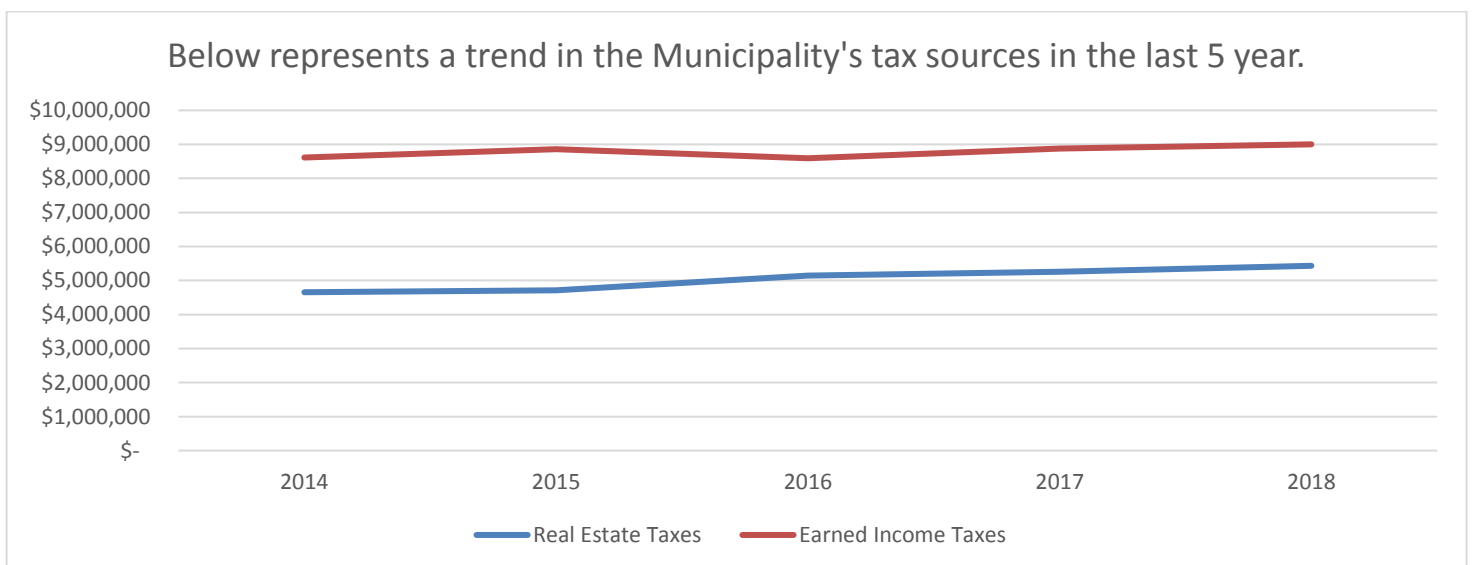
The Government Funds are the General, Capital Reserve, Fire Department, and State Highway Aid (liquid fuels).

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.

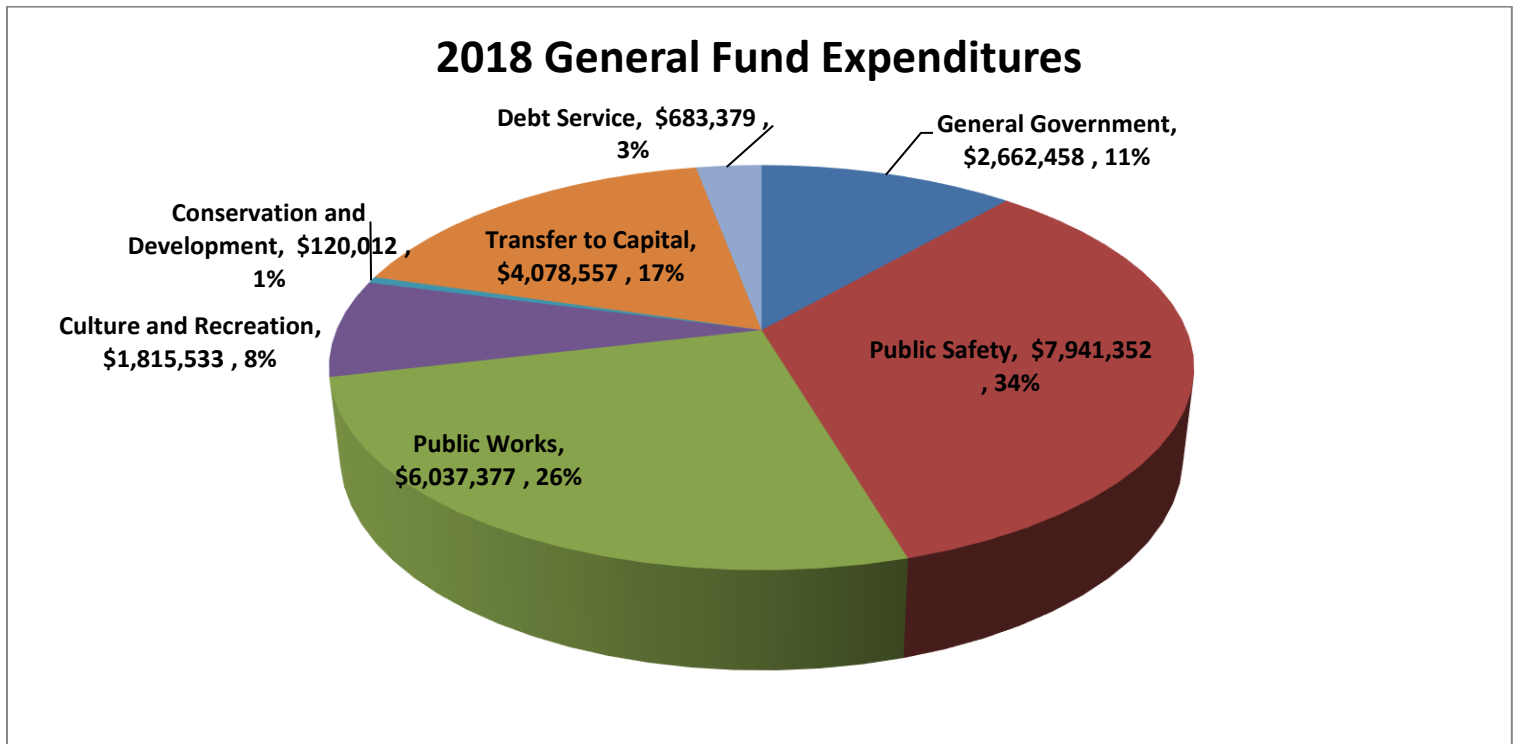
HOW WAS YOUR MUNICIPALITY FUNDED FOR 2018?



Total Revenues for the year were \$22,018,043. Over the past 3 years the Municipality continues to see strong collections in the Taxes Categories. The remainder of the categories continue to see modest increases over the past as well.



HOW WAS THE MONEY SPENT FOR 2018?



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.

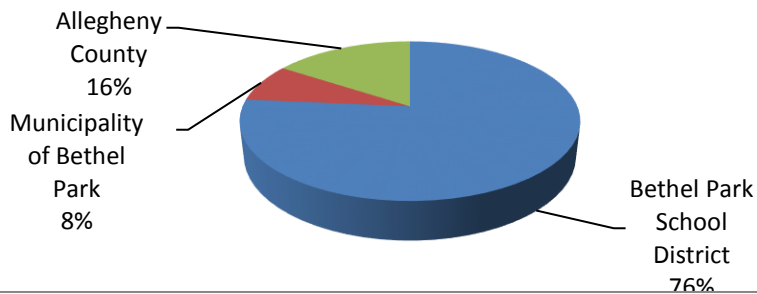
The General Fund is broken down into specific departments which make up the fund. As illustrated in the chart above, Public Safety and Public Works expenditures account for the majority.

Total Expenses for the year were \$23,338,668. A majority of the increases over the past 3 years have been related to the Public Works Department in order to maintain all municipally owned buildings, grounds, and infrastructure.



YOUR PROPERTY TAXES

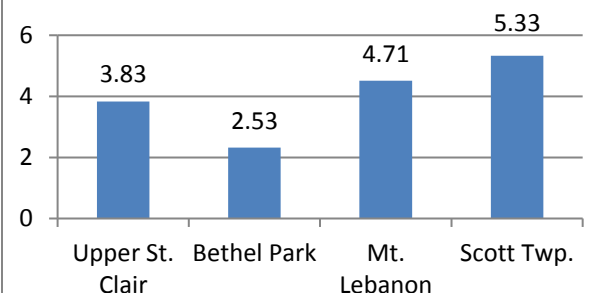
Municipality of Bethel Park Real Estate Taxes



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

Taxing Authority	2018 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
Total Real Estate Tax	30.1363	\$ 5,980

Real Estate Tax Rate and Surrounding Communities



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	2018 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

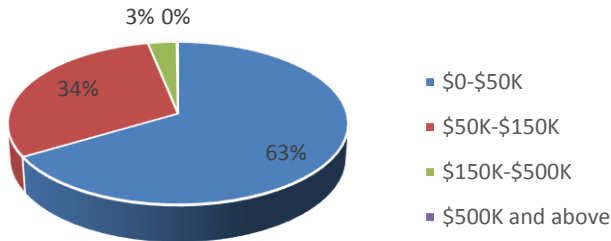
Earned Income Taxes Overview

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.

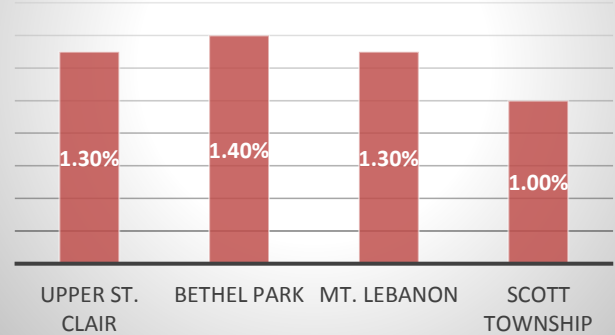
The Municipality currently levies an Act 62 Tax of .90% and the Bethel Park School District levies a tax of .50%. The total EIT tax rate for Bethel park residents is 1.40%

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 2018



2018 Earned Income Tax
Rates Surrounding
Municipalities



ACCOMPLISHMENTS AND GOALS — HIGHLIGHTS

2018 Accomplishments

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

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

Completed upgrades to playground equipment at Simmons Park.

Police department joined 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.

The Municipality has joined the SHACOG animal control program in order to keep the Municipality for any animal nuisances or dangers. The Finance Department received the CAFR award for the 7th year in a row.

2019 Goals

The Municipality entered into a new Garbage/Recycling Collection Contract with Waste Management, which includes automated garbage collection. The automated collection process requires the use of specialized garbage cans, which were provided free of charge to each residential household. The automated system will provide significant savings for garbage collection services. The new contract also included new restrictions on the recyclable materials that are accepted. Because glass is no longer accepted, the Municipality will collaborate with PA Resources Council and local recyclers for the provision of glass recycling opportunities.

The Municipality, in partnership with the Allegheny Land Trust, is exploring an opportunity to acquire and preserve a 40.5 acre parcel of undeveloped land, which was formerly Mine Land. If the partnership and resulting acquisition is successful, the land will become a protected natural area for the health and well-being of the community.

The Municipality is working on several grant opportunities including improvements to several parks, traffic signal intersection Improvements, and walking trails.

With energy efficiency and sustainability in mind, the Municipality will seek to convert all lighting in municipally owned buildings to energy efficient LED lights. The result will be a reduction in energy use, which will produce significant savings; this is a win-win for the Municipality and the environment.

The Engineering Department has developed a new storm water plan that will make necessary repairs to the collection system. The newly developed plan incorporates the requirements of the MS4 Program, which regulates systems that are designed to gather storm water and discharge it into local streams and rivers.



Simmon's Park Rededication 2018

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,806,608	\$ 6,679,656	\$ 14,486,264
Investments - restricted	181,938	341,046	522,984
Receivables, net; for sewer allowance:			
Taxes	1,866,215	-	1,866,215
Sewer charges	-	2,423,840	2,423,840
Other	571,061	203,513	774,574
Prepaid expenses	77,247	24,550	101,797
Capital assets:			
Non-depreciable	2,781,979	1,033,815	3,815,794
Depreciable, net of accumulated depreciation	31,243,082	41,194,122	72,437,204
Total Assets	44,528,130	51,900,542	96,428,672
Deferred Outflows of Resources			
Deferred outflows of resources for pension	5,298,942	590,994	5,889,936
Deferred charge on refunding	908,111	-	908,111
Total Deferred Outflows of Resources	6,207,053	590,994	6,798,047
Liabilities			
Accounts payable	482,758	655,968	1,138,726
Accrued liabilities	146,101	17,386	163,487
Due to other governmental units	-	169,672	169,672
Accrued interest payable	47,470	409,905	457,375
Unearned revenue	4,311	-	4,311
Long-term liabilities - due within one year:			
Bonds payable	395,000	1,310,000	1,705,000
Note payable	146,029	-	146,029
Compensated absences	48,732	-	48,732
Long-term liabilities - due in more than one year:			
Bonds payable	17,320,000	35,025,000	52,345,000
Note payable	2,466,521	-	2,466,521
Compensated absences	378,449	127,207	505,656
Net pension liability	8,970,229	833,152	9,803,381
OPEB obligation	2,549,905	-	2,549,905
Total Liabilities	32,955,505	38,548,290	71,503,795
Deferred Inflows of Resources			
Deferred inflows of resources for pension	1,749,543	338,731	2,088,274

STATEMENT OF NET POSITION

(CONTINUED)

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
<hr/>			
Assets			
<hr/>			
Net Position			
Net investment in capital assets	13,877,943	6,220,267	20,098,210
Restricted for:			
Liquid fuels program	2,992	-	2,992
Transportation district	4	-	4
Volunteer fire department operations	595,461	-	595,461
Unrestricted	1,553,735	7,384,248	8,937,983
	<hr/>		
Total Net Position	<u>\$ 16,030,135</u>	<u>\$ 13,604,515</u>	<u>\$ 29,634,650</u>



STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

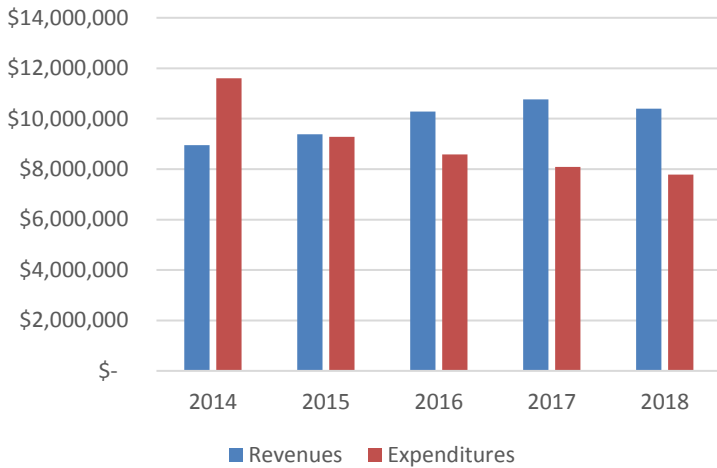
Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 4,231,120	\$ -	\$ 246,625	\$ 13,540	\$ (3,970,955)	\$ -	\$ (3,970,955)
Public safety	9,552,231	530,783	377,932	-	(8,643,516)	-	(8,643,516)
Public works	8,542,538	202,283	984,978	80,924	(7,274,353)	-	(7,274,353)
Culture and recreation	3,224,641	751,006	28,829	646,025	(1,798,781)	-	(1,798,781)
Conservation and development	131,495	-	-	-	(131,495)	-	(131,495)
Interest on long-term debt	681,571	-	-	-	(681,571)	-	(681,571)
Total governmental activities	26,363,596	1,484,072	1,638,364	740,489	(22,500,671)	-	(22,500,671)
Business-Type Activities:							
Sewer services	7,781,664	10,246,766	-	49,429	-	2,514,531	2,514,531
Total	\$ 34,145,260	\$ 11,730,838	\$ 1,638,364	\$ 789,918	(22,500,671)	2,514,531	(19,986,140)
General revenues:							
Taxes:							
Property taxes					6,264,914	-	6,264,914
Earned income taxes					9,001,586	-	9,001,586
Real estate transfer taxes					1,190,495	-	1,190,495
Local services taxes					601,160	-	601,160
Other taxes					48,617	-	48,617
Grants, subsidies, and contributions not restricted to specific programs					967,072	-	967,072
Investment earnings					188,435	95,291	283,726
Franchise fees					808,521	-	808,521
Miscellaneous income					512,015	-	512,015
Total general revenues					19,582,815	95,291	19,678,106
Change in Net Position					(2,917,856)	2,609,822	(308,034)
Net Position:							
Beginning of year, as restated					18,947,991	10,994,693	29,942,684
End of year					\$ 16,030,135	\$ 13,604,515	\$ 29,634,650

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

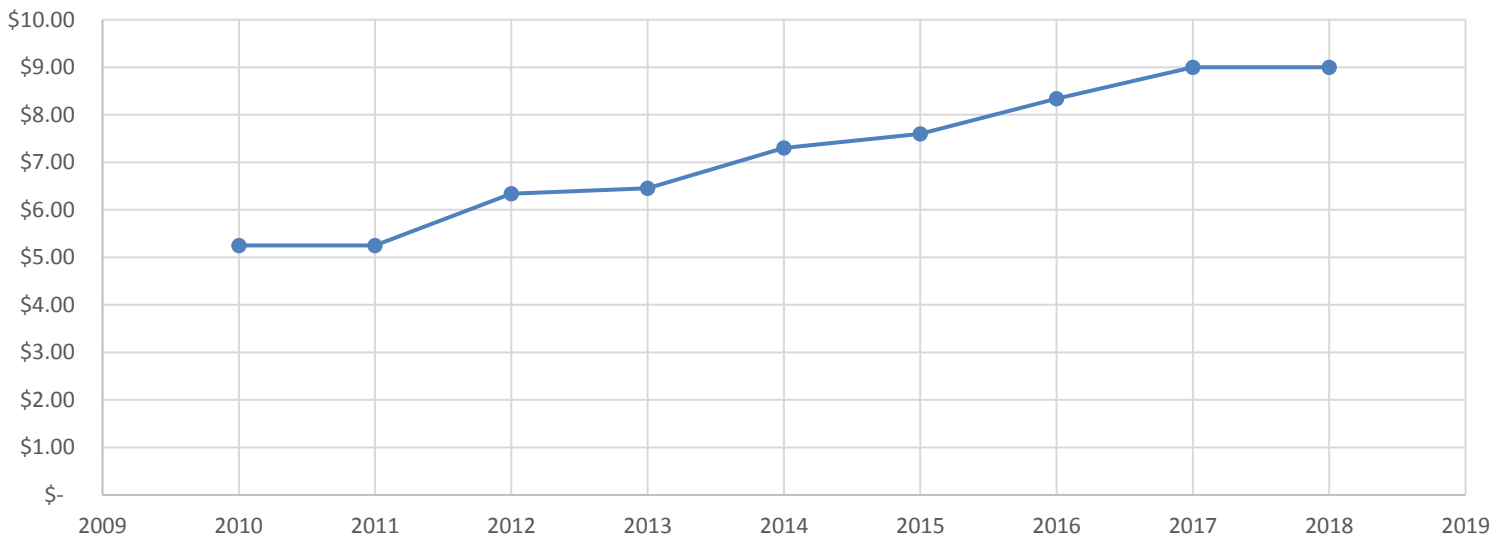


Enterprise Funds

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 2018, 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 2018 \$9.00/1,000 gallons.

DEBT ADMINISTRATION

Outstanding Debt as of December 31, 2018 - 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.

\$17,715,000

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

\$2,612,550

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

\$36,335,000

Total \$56,662,550

Pension Plans

Defined Benefit Pension Programs	Net Pension Liability
Non Uniform Members (108)	\$2,777,174
Police Officers (68)	\$7,026,207
OPEB, Other Post-Employment Benefits	\$2,549,905

In 2018 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

2018 Municipal Council

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

2018 Municipal Staff Directory

		Ext.
Judith L. Miller	Asst. Municipal Manager	201
Timothy O'Connor	Chief of Police/Acting Manager	100
Joseph A. Villella	Director of Finance	210
Charles Stover	Director of Recreation	230
Stacey Graf	Municipal Engineer	136
Dennis Smith	Code Enforcement Officer	133
Ashely Moore	Municipal Planner	382
David Cable	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

Chuck Stover, 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