

MUNICIPALITY OF BETHEL PARK

Popular Annual Financial Report Year Ended

December 31, 2019



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

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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, 2019. 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 2019. 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.

Laurence J. Christian
Municipal Manager

Judith L. Miller
Assistant Manager

Joseph A. Vilella
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, 2018



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.

Municipality of Bethel Park at a Glance for 2019

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.

Population – 2019 (Latest estimate from the U.S. Federal Census)	32,313
Total Earned Income of Residents (Jordan Tax Service)	\$9,479,467
Allegheny County Unemployment Rate (U.S. Bureau of Labor Statistics)	6%
Number of Full-Time Municipal Employees (Municipality of Bethel Park Records)	106
Bethel Park Taxable Real Property (Allegheny County Tax Assessment Office)	\$2,807,990,598
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

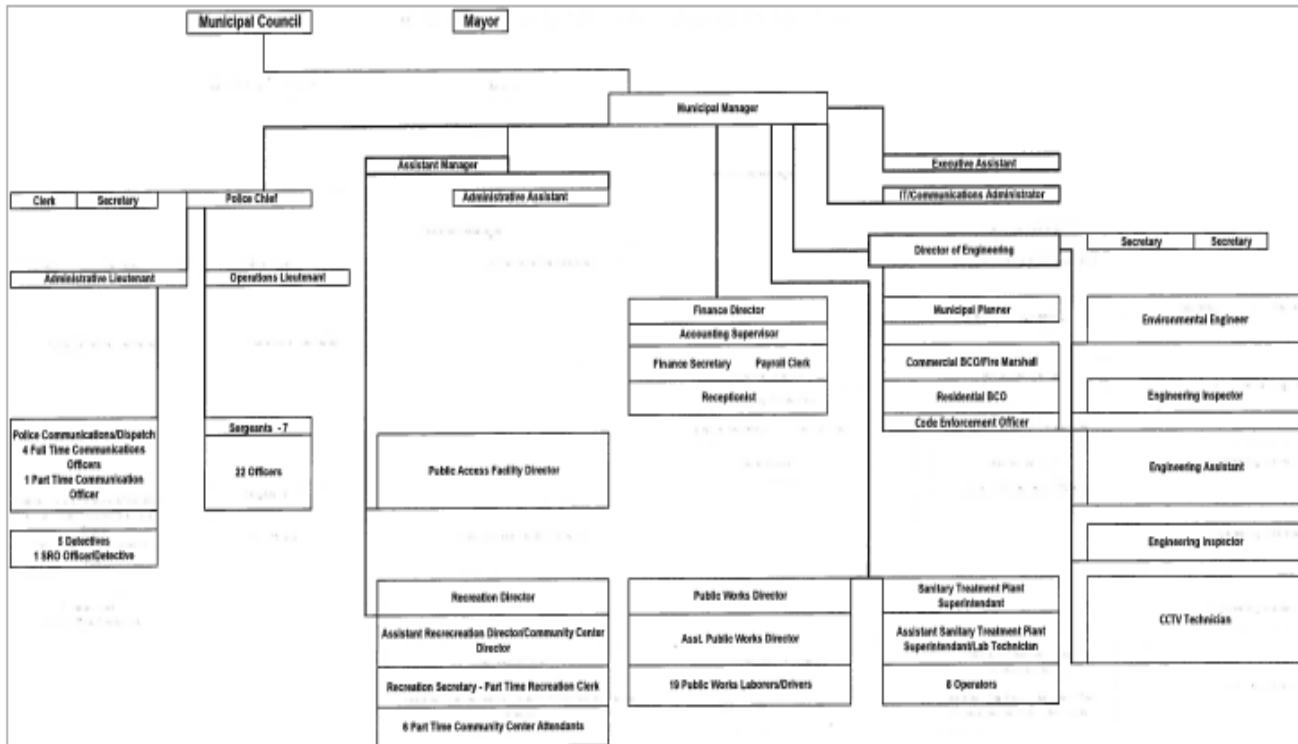
COMMUNITY PROFILE CONTINUED

Municipality of bethel park

Organization chart

As of December 31, 2019

MUNICIPALITY OF BETHEL PARK - ORGANIZATIONAL CHART

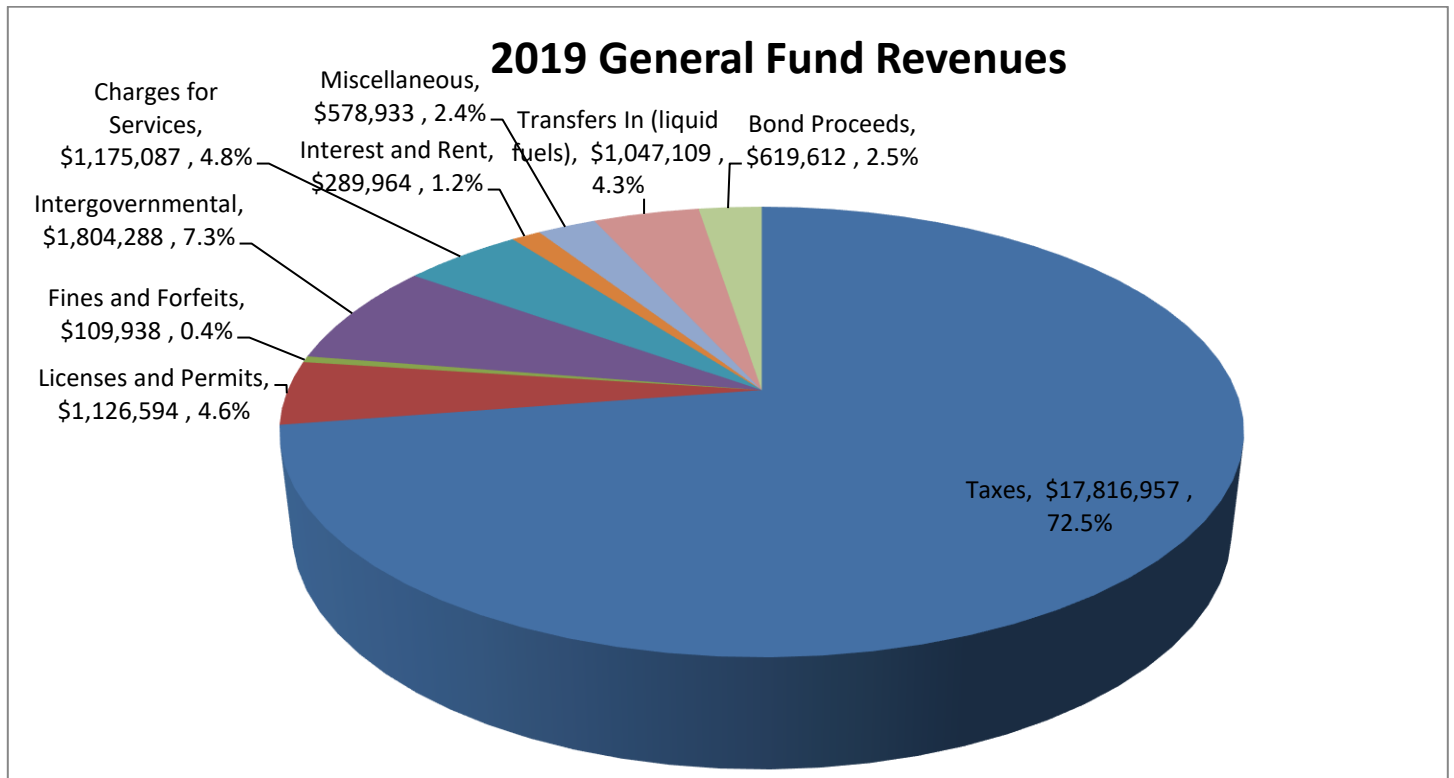


Bethel Park operates with various fund types that make up the operations of the Municipality.

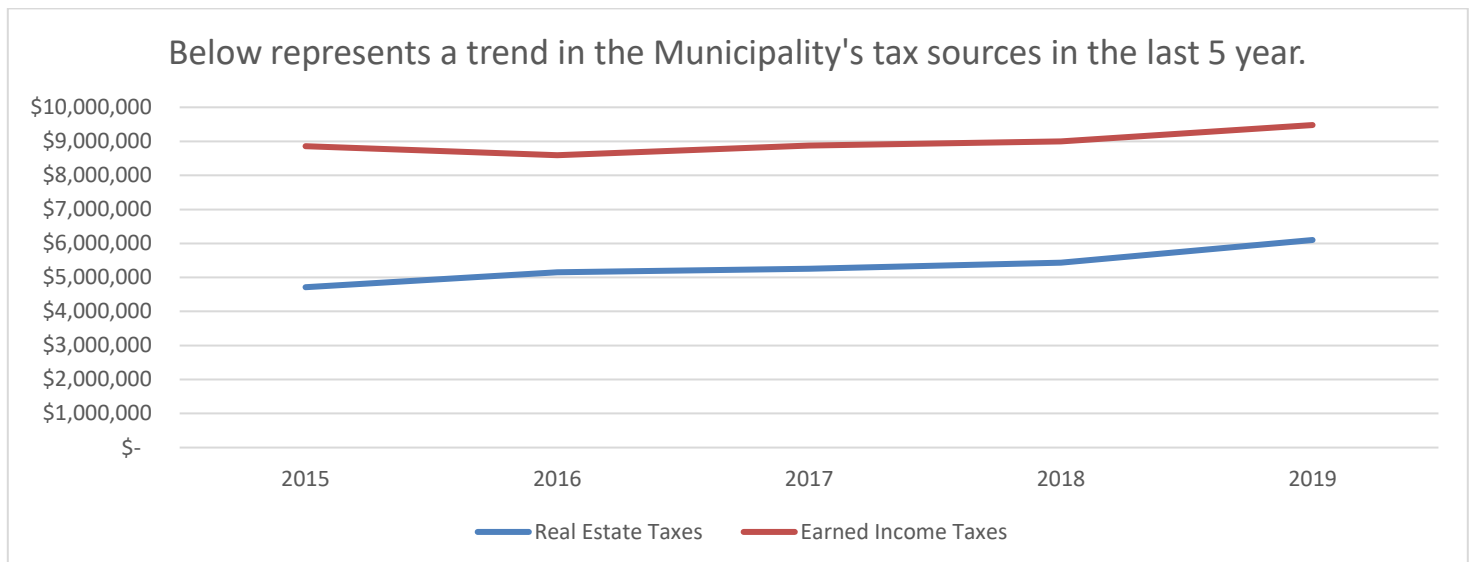
The Government Funds are the General, Capital Reserve, Fire Department, and State Highway Aid (liquid fuels).

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.

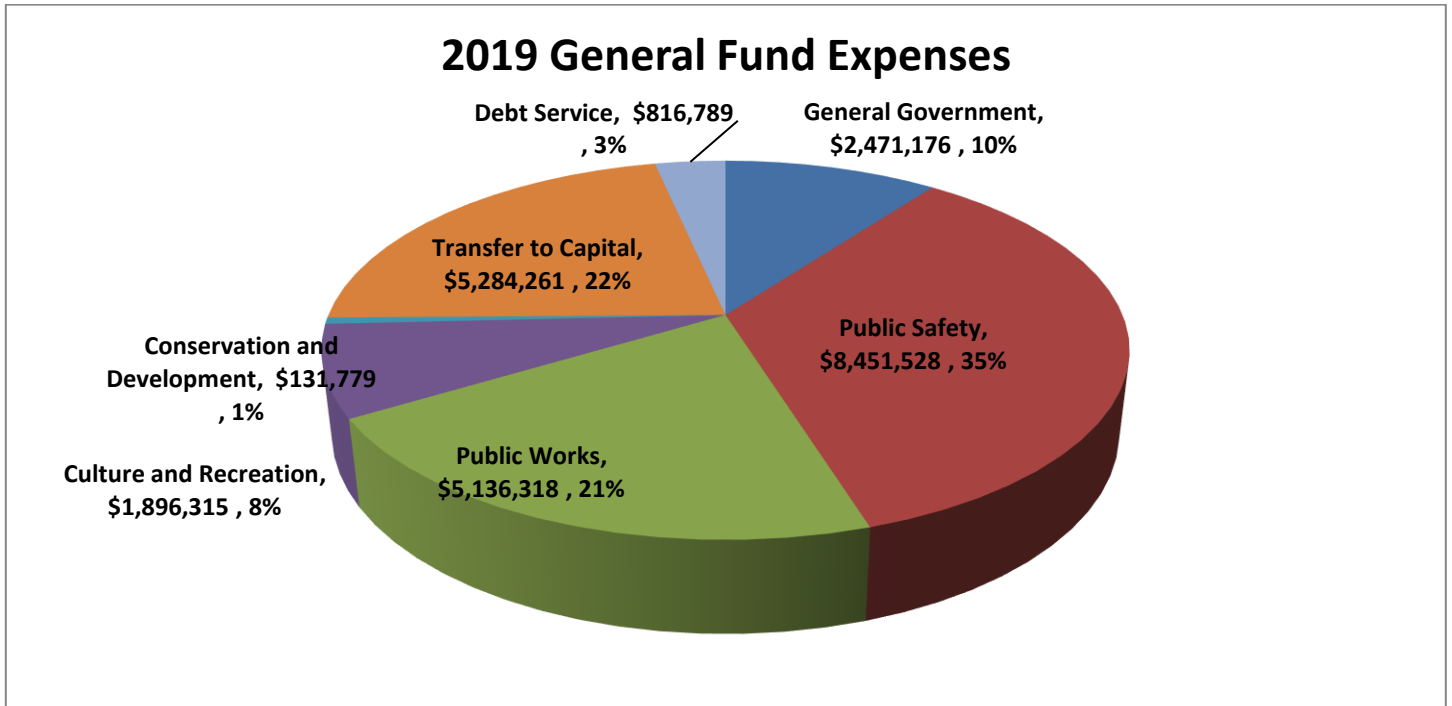
HOW WAS YOUR MUNICIPALITY FUNDED FOR 2019?



Total Revenues for the year were \$24,568,482. 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 2019?



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.

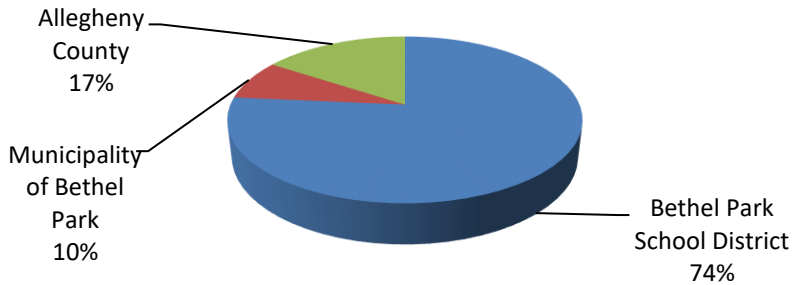
The General Fund is broken down into specific departments which make up the fund. As illustrated in the chart above, Public Safety and Public Works expenditures account for the majority.

Total Expenses for the year were \$24,188,166. 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.

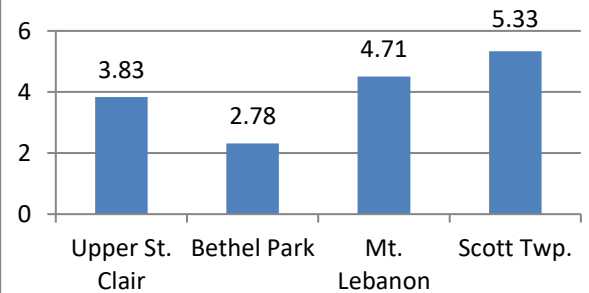


YOUR PROPERTY TAXES

Municipality of Bethel Park Real Estate Taxes



Real Estate Tax Rate and Surrounding Communities



Real Estate Taxes – Based on \$150,000 Assessment

Taxing Authority	2019 Millage Rate	R.E. Tax
Municipality of Bethel Park	2.78	\$ 417
Allegheny County	4.73	\$ 791
Bethel Park School District	21.00	\$ 3,150
Total Real Estate Tax	28.51	\$ 4,358

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 Volunteer Fire Department

YOUR EARNED INCOME TAXES

Local Earned Income Taxes on \$75,000		
Taxing Authority	2019 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

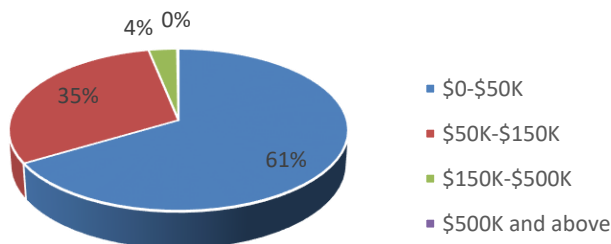
Earned Income Taxes Overview

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.

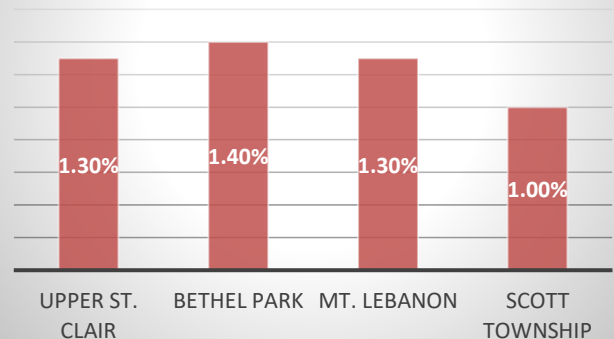
The Municipality currently levies an Act 62 Tax of .90% and the Bethel Park School District levies a tax of .50%. The total EIT tax rate for Bethel park residents is 1.40%

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 2019



2019 Earned Income Tax
Rates Surrounding
Municipalities



ACCOMPLISHMENTS AND GOALS – HIGHLIGHTS

2019 Accomplishments

In 2019 the Municipality secured funding through a Pennvest Program for flood mitigation projects at Oak Tree Park, Logan Road Ponds, and Birch Tree Park. These projects will improve the Municipality's storm sewer program as well as increase water quality for the residents. The newly developed plan also 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.

The Municipality converted 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.

There were several new recreation programs in 2019 including pickleball, various silver sneakers programs, and summer camps.

2020 Goals

The Municipality updated their website earlier this year to include more user friendly menus, calendar and event posts, and notification tools for residents. It also includes updated Online Citizen Request forms that help resolve Citizen Complaints and questions. We also expanded our social media presence by using a social media posting platform that enables us to post to multiple social media accounts at once.

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.

The Finance Department will be seeking the CAFR (Comprehensive Annual Finance Report) Award for the Certificate of Excellence in Financial Reporting. Since the Municipality has entered in the program since 2012, it has received the award annually.



STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,794,372	\$ 7,262,240	\$ 17,056,612
Investments - restricted	-	197,212	197,212
Receivables, net; for sewer allowance:			
Taxes	1,883,591	-	1,883,591
Sewer charges	-	2,304,966	2,304,966
Other	325,427	400,000	725,427
Prepaid expenses	162,967	21,925	184,892
Capital assets:			
Non-depreciable	2,781,979	1,317,199	4,099,178
Depreciable, net of accumulated depreciation	30,950,677	39,869,985	70,820,662
Total Assets	45,899,013	51,373,527	97,272,540
Deferred Outflows of Resources			
Deferred outflows of resources for pension	2,221,005	230,867	2,451,872
Deferred charge on refunding	1,173,953	-	1,173,953
Total Deferred Outflows of Resources	3,394,958	230,867	3,625,825
Liabilities			
Accounts payable	273,270	747,320	1,020,590
Accrued liabilities	140,423	17,386	157,809
Due to other governmental units	-	169,672	169,672
Accrued interest payable	44,145	401,063	445,208
Long-term liabilities - due within one year:			
Bonds payable	435,000	1,335,000	1,770,000
Notes payable	150,311	-	150,311
Compensated absences	13,489	-	13,489
Long-term liabilities - due in more than one year:			
Bonds payable	17,520,000	33,690,000	51,210,000
Notes payable	2,470,298	-	2,470,298
Compensated absences	423,826	104,329	528,155
Net pension liability	3,773,296	106,738	3,880,034
Total OPEB liability	2,705,050	-	2,705,050
Total Liabilities	27,949,108	36,571,508	64,520,616
Deferred Inflows of Resources			
Deferred inflows of resources for pension	3,639,884	643,676	4,283,560

STATEMENT OF NET POSITION

(CONTINUED)

DECEMBER 31, 2019

Net Position		December 31, 2019	
Net investment in capital assets	14,326,781	6,347,023	20,673,804
Restricted for:			
Liquid fuels program	2,011	-	2,011
Volunteer fire department operations	773,279	-	773,279
Unrestricted	2,602,908	8,042,187	10,645,095
Total Net Position	\$ 17,704,979	\$ 14,389,210	\$ 32,094,189



STATEMENT OF ACTIVITIES

DECEMBER 31, 2019

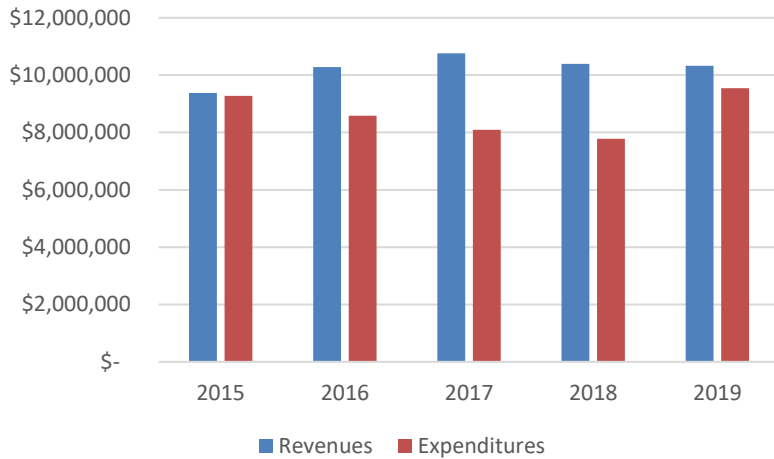
Functions/Programs	Program Revenues		Net (Expense) Revenue and Change in Net Position				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General government	\$ 3,422,888	\$	\$353,924	\$ 60	\$(3,068,904)	\$ -	\$(3,068,904)
Public safety	9,547,173	549,709	376,940		(8,620,524)	-	(8,620,524)
Public works	7,082,162	350,372	1,008,749	18,080	(5,704,961)	-	(5,704,961)
Culture and recreation	2,238,029	823,597	53,252	6,852	(1,354,328)	-	(1,354,328)
Conservation & development	147,182				(147,182)	-	(147,182)
Interest on long-term debt	687,257				(687,257)		(687,257)
Total governmental activities	23,124,691	1,723,678	1,792,865	24,992	(19,583,156)		(19,583,156)
Business-Type Activities:							
Sewer services	9,544,332	10,094,461		56,679		606,808	606,808
Total	\$ 32,669,023	\$ 11,818,139	\$ 1,792,865	\$ 81,671	(19,583,156)	606,808	(18,976,348)
General Revenues:							
Taxes :							
Property Taxes					6,922,642		6,922,642
Earned Income Taxes					9,479,467		9,479,467
Real Estate Transfer Taxes					1,541,598		1,541,598
Local services taxes					617,806		617,806
Other taxes					55,601		55,601
Grants, subsidies and contributions not restricted to specific program					1,018,567		1,018,567
Investment earnings					224,616	177,887	402,503
Franchise fees					798,871		798,871
Miscellaneous income					598,832		598,832
Total general revenues					21,258,000	177,887	21,435,887
Change in Net Position					1,674,844	784,695	2,459,539
Net Position:							
Beginning of the year					16,030,135	13,604,515	29,634,650
End of the Year					<u>\$ 17,704,979</u>	<u>\$ 14,389,210</u>	<u>\$ 32,094,189</u>

Government 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

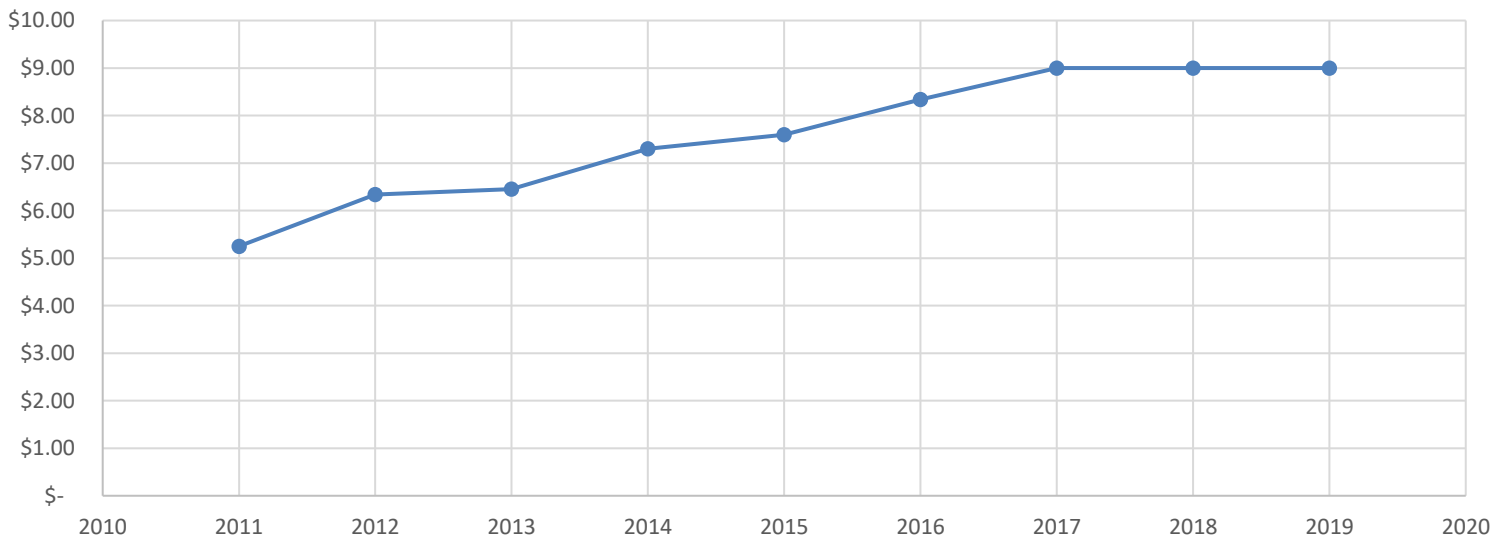


Enterprise Funds

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, 2019 - Issued for Projects

General Obligation Bonds - Includes a 2013 General Obligation Bond for the construction of a new building for the Bethel Park Volunteer Fire Department and a 2015 Series to be used for the acquisition, development, construction, and equipping of the public works building. In 2017 the Municipality issued General Obligation Bonds for the advancing refunding of the 2013 Bonds. In 2019 The Municipality issued General Obligation Bonds Series of 2019 for the advance refunding of a portion of the Series 2015 Bonds to fund various capital improvement projects, and to pay the costs of issuing the Bonds.	\$17,955,000
Note Payable - Includes a 2007 note to finance the construction for the Community Center Phase 2 project.	\$2,620,609
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	\$35,025,000
Total	\$55,600,609

Pension Plans

Defined Benefit Pension Programs	Net Pension Liability
Non Uniform Members (111)	\$355,794
Police Officers (74)	\$3,524,240
OPEB, Other Post-Employment Benefits	\$2,705,050

In 2019 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

2019 Municipal Council

Timothy J. Moury	Ward 8	President
James P. Hannan	Ward 3	Vice President
Joe Consolmagno	Ward 1	
Dr. Timothy Campbell	Ward 2	
Todd Cenci	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

2019 Municipal Staff Directory

		Ext.
Laurence J. Christian	Municipal Manager	137
Judith L. Miller	Asst. Municipal Manager	201
Timothy O'Connor	Chief of Police	100
Joseph A. Villella	Director of Finance	210
Charles Stover	Director of Recreation	230
Stacey Graf	Director of Engineering	136
Robert Hicks	Commercial Bldg Inspector	135
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