

*"A Great City Is Not To Be
Confounded With A Populous One."
Aristotle*



City of Sharon
Pennsylvania, 16146

OFFICE OF THE MAYOR
ROBERT J. LUCAS
MAYOR

MUNICIPAL BUILDING
155 WEST CONNELLY BLVD.
724-983-3232
FAX: 724-983-1961

October 30, 2008

Dear Council,

The attachment contains the City of Sharon's 2009 proposed General Fund budget. This budget calls for a four-mill tax increase. This tax increase is proposed because of the following reasons:

1. The actions by the Sharon Sanitary Authority decrease the City's revenues by \$300,000 and expenses by \$100,000 for a net loss of \$200,000.
2. The Commonwealth's Municipal Pension Allocation due to the City was reduced causing an additional \$56,000 reduction in revenues.
3. The City's required Non-Uniform Pension contribution has increased our expenses by \$124,000.

These three items cause a \$380,000 shortfall in our budget. In net dollars, for every one-mill increase the City receives approximately \$92,000, thus a four-mill tax increase is proposed.

To further examine the budget:

Revenues:

1. The Per Capita Tax totals increased \$20,000 by eliminating the senior citizen exoneration given by the City.
2. The C.D.B.G. Reimbursement line item now contains all monies received from that entity. This includes salaries, healthcare, pensions, Police Department allocations, and their portion of the solicitor's salary.

Expenses:

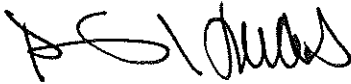
1. Reduced the hours of the Mayor's Confidential Clerk, Chief Clerk, Police Clerks, and Maintenance Man to a thirty-five hour workweek.
2. Energy costs at the City building expected to increase \$17,000.

3. The Police Department's Zone 5 patrols will be incorporated into regular police wages, saving \$46,000.
4. Reduced the Fire Department compliment to nineteen firefighters. A reduction of one position.
5. Eliminated the Code/Zoning Officer. That position will now be part of Community Development.
6. Fuel costs attributable to the City Garage increased by \$15,000.
7. The Library asked for an increase in funding. I proposed \$102,716, the same amount as 2008.
8. Under Special Services I proposed the following reductions:
 - a. Sharon Art Council: \$1,500 (2008) \$1,000 (2009)
 - b. Greater Sharon Associates: \$4,000 (2008) \$3,000 (2009)
 - c. Sharon Beautification Fund: \$2,000 (2008) \$1,500 (2009)
9. Capital Improvement funding of \$17,294.

In addition, with the loss of five wastewater collection employees to the Sanitary Authority, winter/summer maintenance of our streets, storm sewer and catch basin repairs, and the ever-growing number of vacant lots and abandon properties pose additional challenges.

I realize that with the world's current financial condition, 2009 will be a very trying year and the City will remain on constant watch to reduce costs throughout upcoming year. I look forward to working with council in analyzing this budget and I thank all the department heads and the financial staff in preparing it.

Sincerely,



Robert J. Lucas
Mayor