October 31, 2019

City Council
City of Sharon
155 W. Connelly Blvd.
Sharon, PA 16146

Dear Members of Council:

Attached is the proposed general operating budget for 2020. Following this submission to Council, as required by the City Charter, the budget will be posted for the public on the City’s website. Budget hearings have been scheduled for November 25th, 2019, at 6:00 PM, and December 4th, 2019, at 6:00 PM.

The proposed 2020 budget totals $8,947,601 in expenditures, which is $191,733 larger than the 2019 budget. The budget contains a 2% wage increase for all employees. The total cost of wage increases next year for all three bargaining units and non-union employees of $192,573 is due to the addition of personnel in the Finance and Public Works departments, and police officer step increases. The budget funds an Assistant Finance Director, and one (1) additional full-time Heavy Equipment Operator, as well as the replacement of a patrol officer who resigned in August. The addition of the Assistant Finance Director provides increased efficiency as the City provides financial expertise to the Sanitary Authority. The increase in fire department salaries includes an additional full-time position, but the increase is off-set by the decrease in part-time wages. The change will not increase staffing, but is necessary to address the increased competitiveness of recruiting and retaining part-time firefighters. The proposed staffing increase in the Public Works department will improve the City’s winter weather road maintenance capacity, and provide for increased collaboration with the Sanitary Authority on street sweeping. The budget funds the unused sick time buy back of two (2) potential retirees in the Fire Department in 2020.

It is with much enthusiasm that I report that the 2020 budget proposes no tax increase for the 10th consecutive year. The operating budget is supported by increased revenues from realty transfer taxes, earned income taxes, and Sanitary Authority reimbursement for shared services.
For 2020, the City has budgeted and will pay a total of $737,297 in debt service, consisting of $441,020 and $296,277 in principal and interest payments, respectively. This includes the first year payment of the $640,000 Pennsylvania Infrastructure Bank Multimodal Phase 1, and Phase 2 at $73,036.

The proposed budget includes an additional $59,500 allocation for capital improvements. The funds will support the $1,409,941 in the Capital Budget, including but not limited to: the Early Intervention Blight Study and Technology Grant, Neighborhood Revitalization Projects (Phases 2 & 3), and Streetscape Irvine Route 62 Project, as well as small capital purchases in 2020.

As evident in the third consecutive positive fiscal audit, the city’s finances have stabilized. Although the budget proposal continues to build on previous years’ service enhancements, all city departments are tasked with increased demand and limited capacity. The budget was prepared by carefully reviewing historical data in projecting revenue and in analyzing the realistic cost of providing valued services. In addition to the positive financial projections, I am confident that the city employees are committed to serving Sharon residents and businesses in a manner that is affordable and valued. I look forward to discussing the budget and working with members of City Council through its eventual adoption.

Sincerely yours,

[Signature]

Robert G. Fiscus
City Manager