

MUNICIPALITY OF BETHEL PARK

POPULAR ANNUAL FINANCIAL REPORT YEAR ENDED
DECEMBER 31, 2015



GENERAL GOVERNMENT PUBLIC SAFETY PUBLIC WORKS

COMMUNITY DEVELOPMENT RECREATION LIBRARY

Municipality of Bethel Park
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Bethel Park, PA 15102

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WELCOME TO THE MUNICIPALITY OF BETHEL PARK

Dear Residents,

The Municipality of Bethel Park is proud to present our first Popular Annual Financial Report (PAFR) for the year ending December 31, 2015. 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.

This report will provide a summary of the Municipality's revenue sources as well as a breakdown of how the money was spent in 2015. 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 <http://www.bethelpark.net/FINANCE.cfm> 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 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

William J. Spagnol
Municipal Manager

Judith M. Miller
Asst. Municipal Manager

Joseph A. Vilella
Finance Director



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.

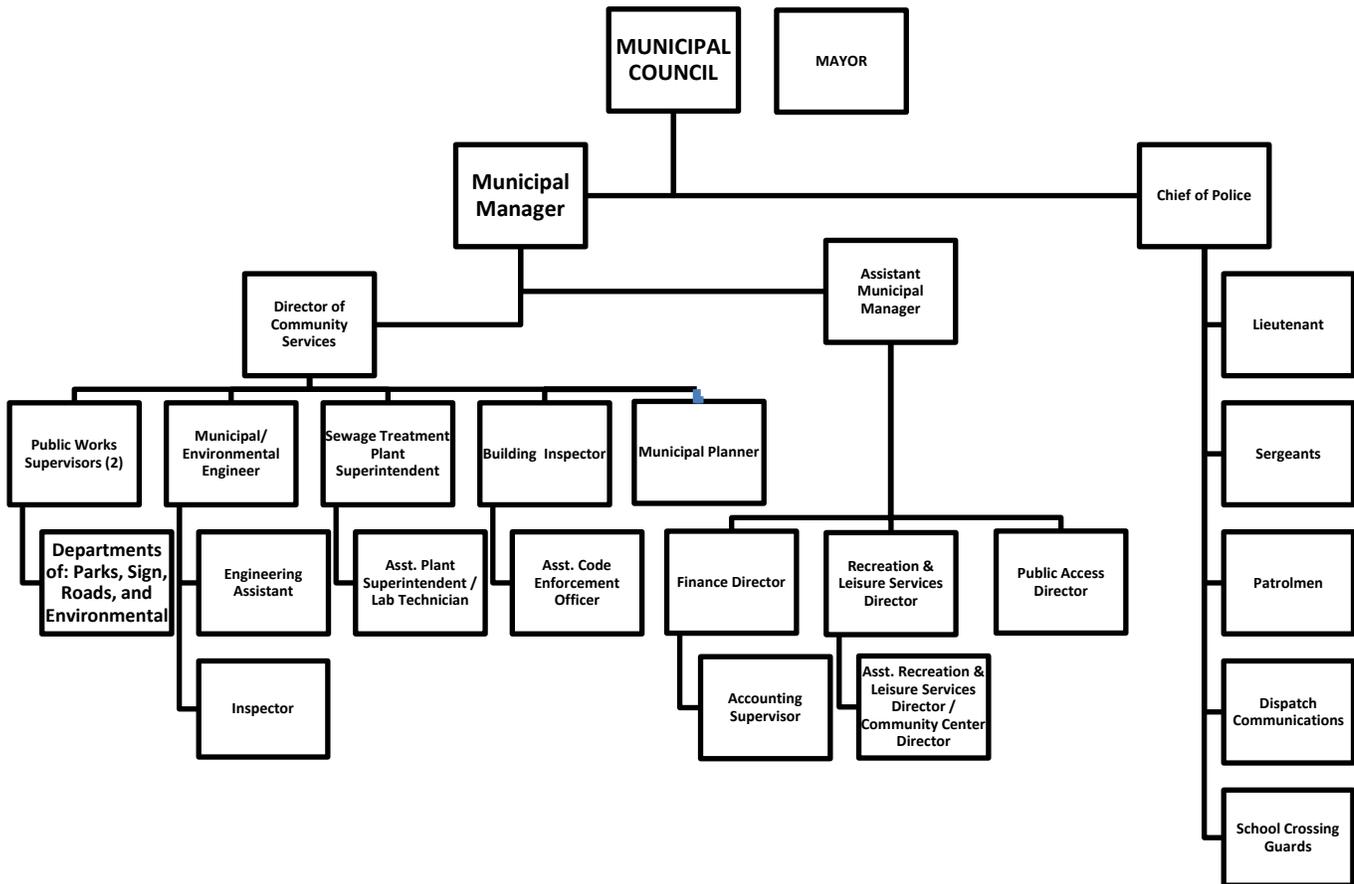
Government Structure

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 to 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.

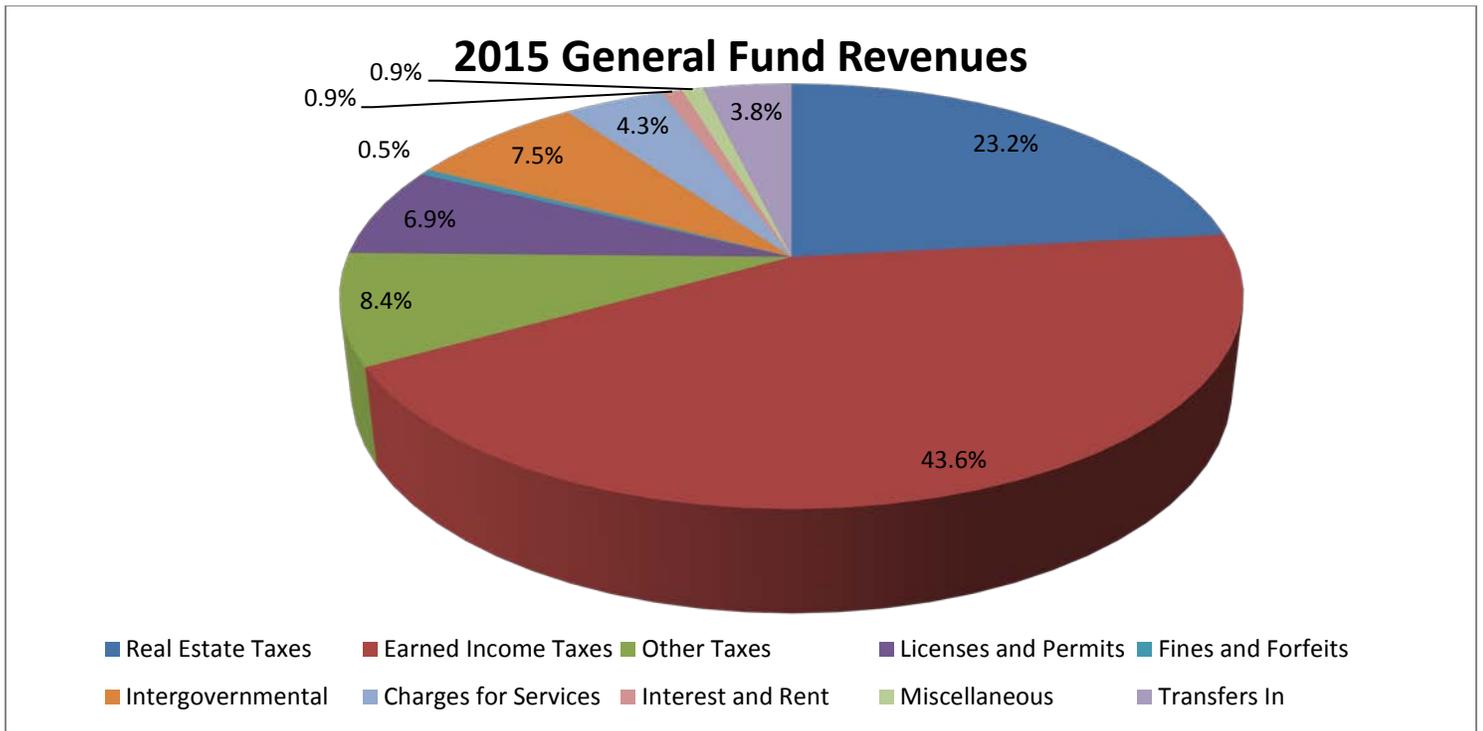
Municipality of Bethel Park at a Glance for 2015

Population – 2015 (Latest estimate from the U.S. Federal Census)	32,313
Total Earned Income of Residents (Jordan Tax Service)	\$8,854,334
Allegheny County Unemployment Rate (U.S. Bureau of Labor Statistics)	4.30%
Number of Full-Time Municipal Employees (Municipality of Bethel Park Records)	100
Bethel Park Taxable Real Property (Allegheny County Tax Assessment Office)	\$2,337,402,253
Municipality Streets in Lane Miles (Municipality of Bethel Park Public Works Dept)	112
Municipality Sanitary & Storm Sewer in Miles (Municipality of Bethel Park Public Works Dept)	328
Number of Municipal Parks (Municipality of Bethel Park Public Works Dept)	14

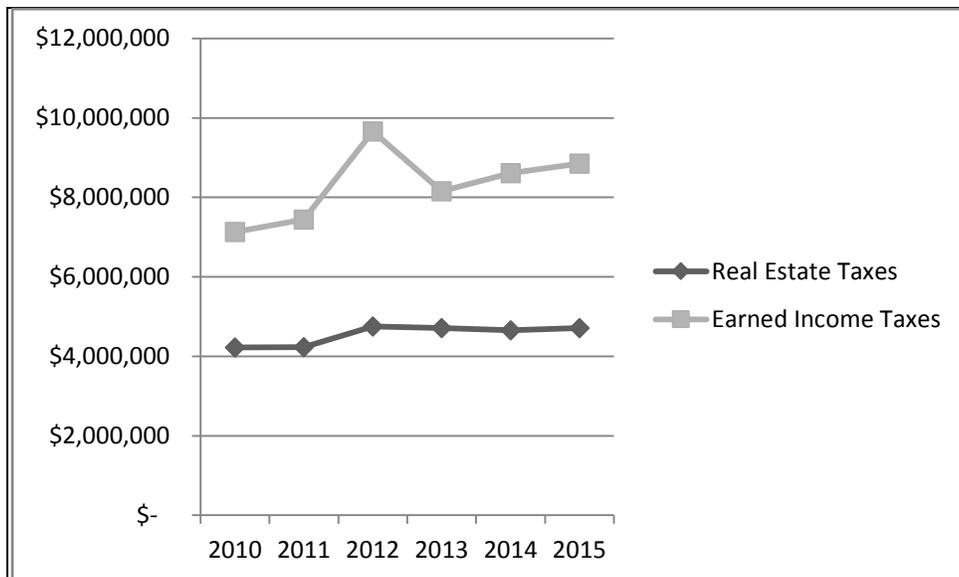
COMMUNITY PROFILE CONTINUED



HOW WAS YOUR MUNICIPALITY FUNDED FOR 2015?

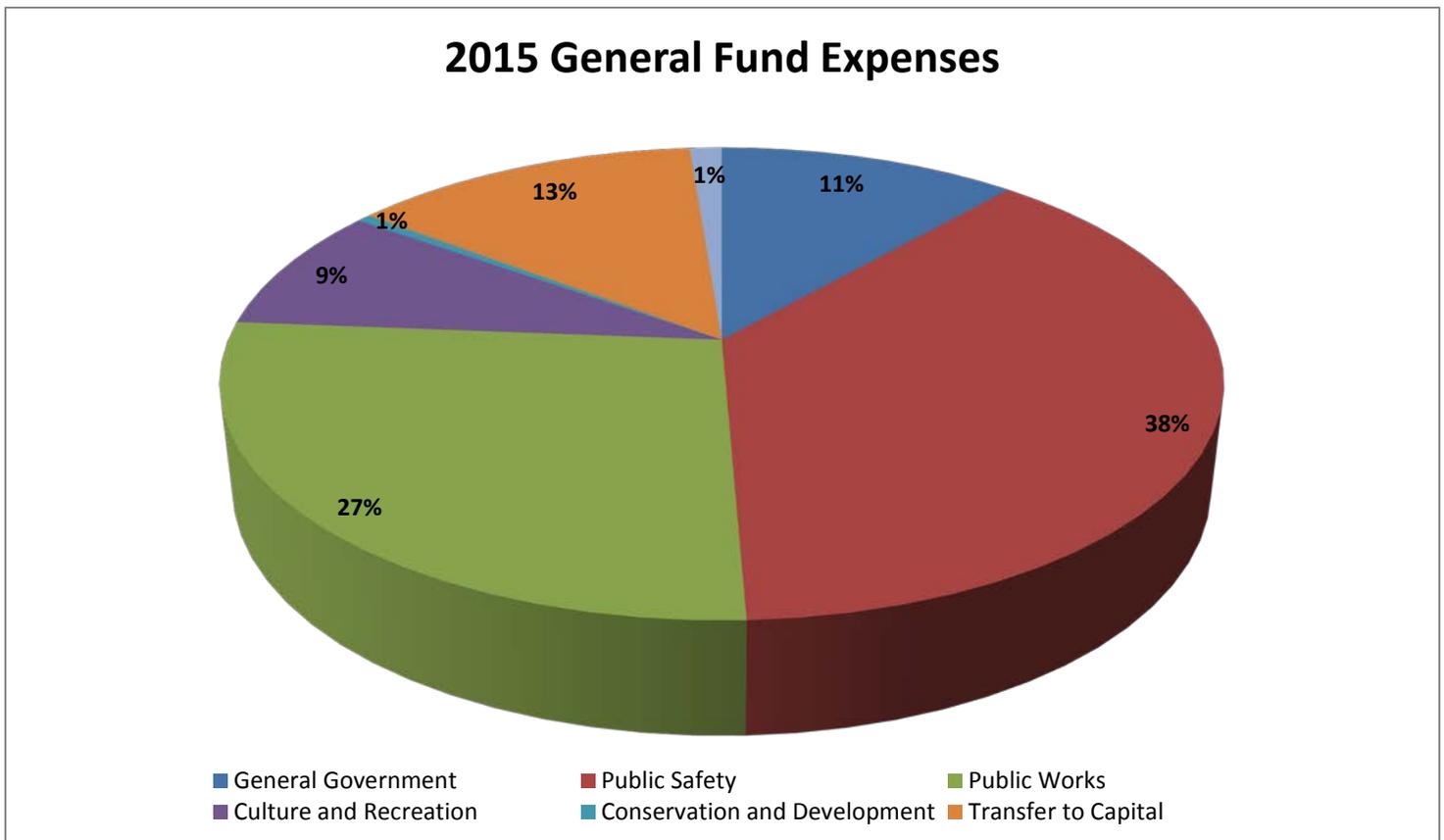


Below represents a trend in the Municipality's biggest source of revenues over the last 5 years.



*In 2012 there's a substantial increase in EIT Collections due to the collection of previously unreported/unpaid EIT; this was a result of the implementation of Act 32.

HOW WAS THE MONEY SPENT FOR 2015?



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 of general fund operations.

Governmental Fund Types

- General Fund
- Capital Reserve Fund
- Volunteer Fire Department Fund
- State Highway Aid Fund (Liquid Fuels)
- Transportation District Fund

Proprietary Fund Types

- Enterprise-Sanitary Sewer Fund

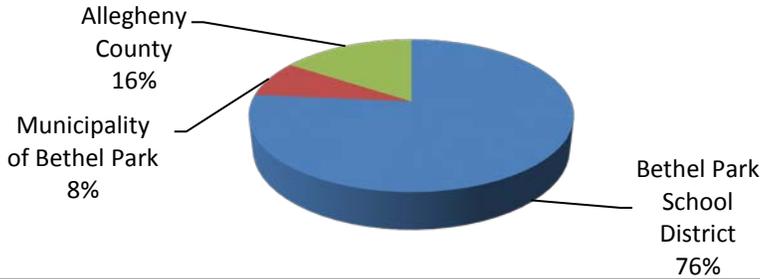
Fiduciary Funds

- Non-Uniformed Employees’ Pension Fund
- Police Pension Fund
- Escrow Fund
- Engineer Inspection Fund

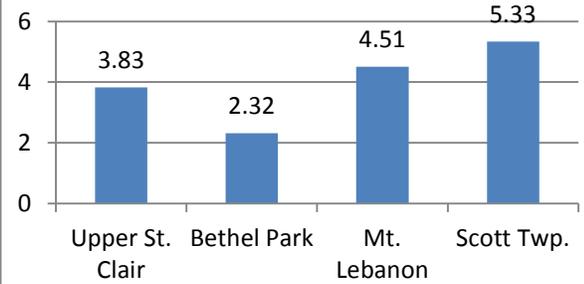


YOUR PROPERTY TAXES

Municipality of Bethel Park Real Estate Taxes



Real Estate Tax and Surrounding Communities



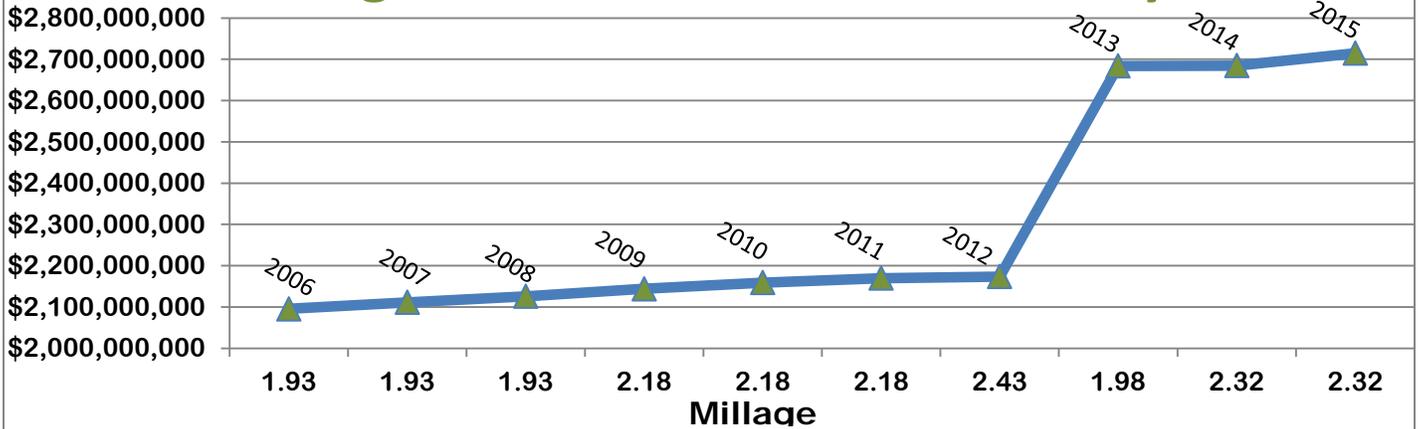
Real Estate Taxes

Taxing Authority	2015 Millage Rate	R.E. Tax
Municipality of Bethel Park	2.32	\$ 460
Allegheny County	4.73	\$ 4,580
Bethel Park School District	22.8763	\$ 940
Total Real Estate Tax		\$ 5,980

Real Estate Tax Historical Information

The Municipality has been successful in keeping property taxes reasonable and still offering high quality services to the residents. The chart represents the Tax Rate vs. Assessed Value over the last 10 years. As you can see in 2012, the assessed value saw a significant increase to the Allegheny County Reassessment. It's important to know that while there was a large increase to assessments, the Municipality is restricted to an increase of revenue of no more than 5%.

Millage vs. Assessed Value last 10 years



Your Earned Income Taxes

Local Earned Income Taxes on \$75,000

Taxing Authority	2015 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

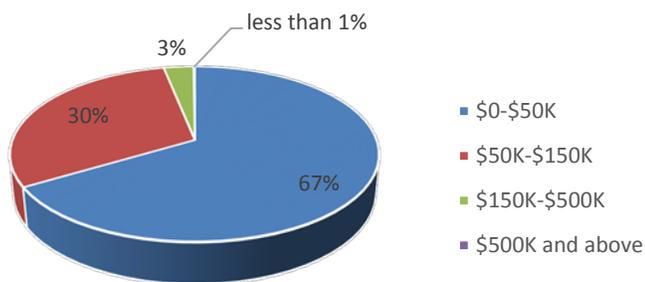
Earned Income Taxes Overview

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.

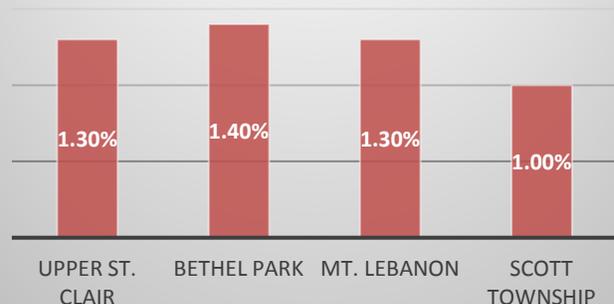
The Municipality currently levies an Act 62 Tax of .90% and the Bethel Park School District levies a tax of .50%. The total EIT tax rate for Bethel park residents is 1.40%

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 2014-2015



2015 Earned Income Tax Rates Surrounding Municipalities



ACCOMPLISHMENTS AND GOALS

2015 Accomplishments

The Municipality secured a \$9.1MM bond issue for the construction of a new Public Works Complex and for necessary renovations to the Community Center.

The Recreation Department in effort to boost fundraising efforts, took over operations of the annual Rev Em' Up for Kid's Car Cruise. The proceeds will directly benefit the Municipality's Recreation facilities and programs.

The Recreation Department has increased the number of fitness classes as well due to the rise in interested participants.

The Cable TV Department exceeded previous year productions from 478 to 502 and also updated on field equipment and upgrades to current studio lighting.

Police Department through its in house Dispatch Center, answered over 14,000 calls for service and made over 500 arrests.

Police Department has expanded social media to now come available on Facebook, Twitter and Instagram.

In 2015, the Municipality was awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 4th consecutive year.

A new Police contract was successfully negotiated and is adopted for 2016-2020

2016 Goals

The Recreation Department is working with the Bethel Park Public Library to provide a variety of community programs, a Bethel Park Night at a Washington Wild Things game. The department is projecting to sell over 500 tickets proceeds of which will go to improvements to the Municipal fields and parks.

The Recreation Department will incorporate the Silver Fit program in to the program lineup. This program will not only provide an additional Recreation program for senior, but will also generate revenue for the department.

Cable Department expanded visibility in the community, added volunteers and volunteer producers.

The Police Department is working to secure a grant to add the K9 program back into the police force.

The Community Services Department will be wrapping up final construction for the new Bethel Park Volunteer Fire Department Building. A ceremony for the opening will take place in June of 2016.

Community Services is securing a park improvement grant for the study for the parks, equipment upgrades, and various park improvements to offer to the resident of the Community.

The Municipality will negotiate a new Teamster 205 Contract that is to expire in 2016.

STATEMENT OF NET ASSETS

Municipality of Bethel Park's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 26,407,820	\$ 18,466,747	\$ 21,579,427	\$ 24,662,937	\$47,987,247	\$ 43,129,684
Capital assets	23,759,419	18,648,496	27,637,716	25,291,946	51,397,135	43,940,442
Total assets	\$ 50,167,239	\$ 37,115,243	\$ 49,217,143	\$ 49,954,883	\$99,384,382	\$ 87,070,126
Current and other liabilities	\$ 2,236,962	\$ 1,453,937	\$ 2,868,092	\$ 2,684,619	\$5,105,054	\$ 4,138,756
Non-current liabilities	29,598,366	13,568,872	39,730,890	40,150,509	69,329,256	53,719,381
Total liabilities	\$ 31,835,328	\$ 15,022,809	\$ 42,598,982	\$ 42,835,128	\$74,434,310	\$ 57,858,137
Net assets:						
Invested in capital assets, net of related debt	\$ 14,119,506	\$ 13,899,420	\$ 2,543,218	\$ 3,742,506	\$16,662,724	\$ 17,641,926
Restricted	564,751	143,861	-	-	564,751	143,861
Unrestricted	3,647,654	8,049,153	4,074,943	3,377,249	7,722,597	11,426,402
Total net assets	\$ 18,331,911	\$ 22,092,434	\$ 6,618,161	\$ 7,119,755	\$24,950,072	\$ 29,212,189

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.

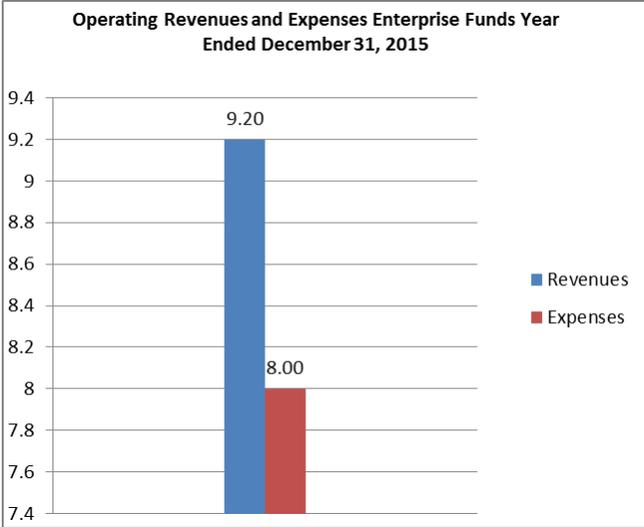
Business Type Activities - The Municipality operates a sanitary sewer system where the majority this fund is supported by fees to users of the system.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Municipality of Bethel Park's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,725,359	\$ 1,438,802	\$ 9,187,995	\$ 8,946,605	\$ 10,913,354	\$ 10,385,407
Operating grants and contributions	1,337,636	1,486,583	-	-	1,337,636	1,486,583
Capital grants and contributions	54,864	492,974	277	86	55,141	493,060
General revenues:						
Property taxes	5,530,903	5,462,811	-	-	5,530,903	5,462,811
Earned income taxes	8,854,334	7,414,508	-	-	8,854,334	7,414,508
Other taxes	1,714,005	1,510,306	-	-	1,714,005	1,510,306
Grants and contributions not restricted to specific programs	952,078	704,048	-	-	952,078	704,048
Other	1,133,370	1,379,090	189,503	7,502	1,322,873	1,386,592
Total revenues	\$ 21,302,549	\$ 19,889,122	\$ 9,377,775	\$ 8,954,193	\$ 30,680,324	\$ 28,843,315
Expenses:						
Program expenses:						
General government	\$ 2,497,242	\$ 2,747,093	\$ -	\$ -	\$ 2,497,242	\$ 2,747,093
Public safety	8,542,147	8,121,090	-	-	8,542,147	8,121,090
Public works	6,456,964	7,741,073	-	-	6,456,964	7,741,073
Culture and recreation	1,691,236	1,788,040	-	-	1,691,236	1,788,040
Conservation and development	221,721	178,454	-	-	221,721	178,454
Interest on long-term debt	678,253	323,553	-	-	678,253	323,553
Sewer services	-	-	9,274,093	11,598,092	9,274,093	11,598,092
Total expenses	\$ 20,087,563	\$ 20,899,303	\$ 9,274,093	\$ 11,598,092	\$ 29,361,656	\$ 32,497,395
Change in net assets	1,214,986	(1,010,181)	103,682	2,643,899	1,318,668	(3,654,080)
Net assets - beginning	\$ 17,116,925	\$ 23,102,615	\$ 6,514,479	\$ 9,763,654	\$ 23,631,404	\$ 32,866,269
Net assets - ending	\$ 18,331,911	\$ 22,092,434	\$ 6,618,161	\$ 7,119,755	\$ 24,950,072	\$ 29,212,189

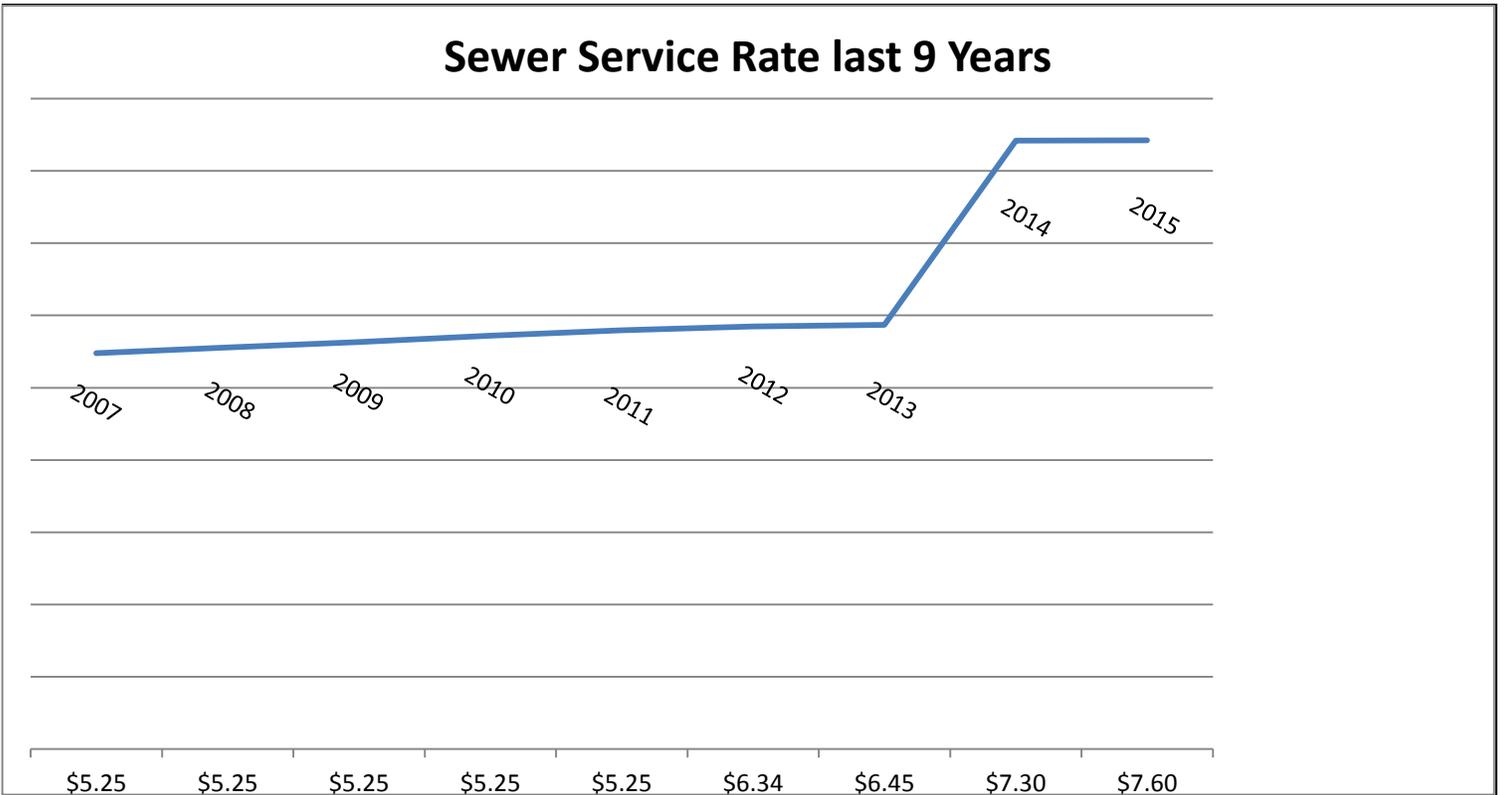
*With the implementation of GASB 68 and 71, the financial statements have been restated as of 1/1/15.

ENTERPRISE FUNDS



Enterprise Funds

The Municipality uses an Enterprise Fund that incorporates all revenues and expenses 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 expenditures necessary to operate depend on the revenues that support the Fund.



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 2015, Owners are charged a Sewage Service fee of \$13 per premise, per month. 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 2015 varied from \$7/1,000 from January 1, 2015 to March 31, 2015, \$7.40/1,000 from April 1, 2015 to October 31, 2015 and \$7.60/1,000 gallons from November 1st until December 31, 2015.

DEBT ADMINISTRATION

Outstanding Debt as of December 31, 2015 - Issued for Projects

<p>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.</p>	\$17,680,000
<p>Note Payable - Includes a 2007 note to finance the construction for the Community Center Phase 2 project.</p>	\$3,012,963
<p>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</p>	\$40,055,000
Total	\$60,747,963

Pension Plans

Defined Benefit Pension Programs	Net Pension Liability
Non Uniform Members (105)	\$2,017,856
Police Officers (64)	\$3,604,923
OPEB, Other Post-Employment Benefits	\$1,503,024

In 2015 the Municipality secured a "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

2015 Municipal Council

Timothy J. Moury	Ward 8	President
James P. Hannan	Ward 3	Vice President
John A. Pape	Ward 1	
Brandon T. Colella	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

2015 Municipal Staff Directory

William J. Spagnol	Municipal Manager	Ext. 200
Judith L. Miller	Asst. Municipal Manager	201
Timothy O'Connor	Chief of Police	100
Jerry Duke	Director of Community Services/ Public Works	137
Joseph A. Villella	Director of Finance	210
Charles Stover	Director of Recreation	230
Jean Statler	Municipal/Environment Engineer	136
Rodney Sarver	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

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

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