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October 31, 2018

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

Dear Members of Council:

Attached is the proposed general operating budget for 2019. Following this submission to council, as required by the City Charter, the budget will be posted on the city's website. Budget hearings have been scheduled for November 28, 2018 at 6:00 PM and December 5, 2018 at 6:00 PM.

The proposed 2019 budget totals \$8,742,330 which is \$196,399 larger than the 2018 budget. The budget contains a 2% wage increase for all employees. The total cost of wages increases next year for all three bargaining units and non-union employees by \$63,686 due to the addition of personnel in the police, code and public works departments. The budget funds one (1) additional part-time police clerk, one (1) additional full-time code officer, one (1) additional part-time code officer, the creation of the Public Works and Code Enforcement Director Position, the replacement of both the mechanic and patrol officer whom retired in September 2018, and a mid-year hire in the finance office, anticipating the retirement of the Treasurer in January 2020. The budget funds the unused sick time buy back of three (3) potential retirees in 2019.

The 2019 budget proposes no tax increase for the 9<sup>th</sup> consecutive year. The operating budget is supported by increased revenues from the transfer of funds from Liquid Fuels, School Resource Officer program revenues and dividends from workers compensation plan.

In 2019, the City has budgeted and will pay a total of \$691,606 consisting of \$419,174 and \$275,433 in principal and interest payments respectively. This includes the first year payment of the \$285,000 Pennsylvania Infrastructure Bank Multimodal Phase 1 (one) at \$32,145.

The proposed budget includes a \$168,468 allocation for capital improvements. The funds will be utilized for paving, including but not limited to Division Street, the Early Intervention Blight Study and Technology Grant, Neighborhood Revitalization Projects (Phases 1 & 2) and Streetscape Irvine Route 62 Project; as well as small capital purchases in 2019.

The city's finances continue to improve, but there is concern over the decrease in real estate and wage tax revenues. 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 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,



Robert G. Fiscus  
City Manager