MUNICIPALITIES FINANCIAL RECOVERY ACT PLAN AMENDMENT

Greenville Borough
Mercer County, Pennsylvania

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Department of Community and Economic Development
Governor's Center for Local Government Services

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EXECUTIVE SUMMARY

Executive Summary

Background Information

The Borough of Greenville is located (approximately 80 miles north of Pittsburgh and 80 miles southeast of Cleveland) in northwest Mercer County along the Shenango River. As of 2009, the estimated population for Greenville Borough was 6,055 (U.S. Census Bureau, Population Estimate, April 1, 2009).

The Borough is a small densely populated municipality with limited vacant land for new development. Currently, the dominant land use within the Borough is single family residential dwellings. There is a distinct downtown business district and commercial corridor that begins in Hempfield Township and continues west through Greenville Borough along Main Street. According to the Greenville Borough Hempfield Township Joint Comprehensive Plan, 45% of the land within the Borough is used for single family residential uses and 20% is used for supportive community facilities to include Thiel College and the UPMC Horizon Hospital. The remaining 35% is a mix of commercial, industrial, and multi-family residential uses.

Upon application by the governing body, the Borough was designated a fiscally distressed community pursuant to the Municipalities Financial Recovery Act (Act 47) by the PA Department of Community and Economic Development in May 2002. The fiscal distress designation was precipitated by the closing of Trinity Industries (then one of the largest employers within the Borough) and questionable financial management practices.

In January 2003, the Borough Council adopted a Financial Recovery Plan pursuant to the Act. Subsequent to the plan's adoption the Borough worked to implement the plan's recommendations. The Financial Recovery Plan was revised in 2008. The proposed amendment to the Revised Recovery Plan of 2008 was intended to place the Borough of Greenville in a position to regain financial stability and petition the Secretary of the Pennsylvania Department of Economic and Community Development to lift the Act 47 financially distressed municipally designation.

Revenues Summary

The Borough's general fund revenue in 2010 was approximately $2.7 million when adjusting for nonrecurring intergovernmental revenues and capital projects funds with roughly 69% of the Borough's revenue base consisting of tax revenues. Of the 69% in tax revenues, 54% is generated by real estate taxes and 40% from earned income taxes. The assessed value of real estate has generally declined since 2004 with only minimal increases due to some small business development along Main Street (Sheetz, Family Dollar and Rite Aid). In addition, the Borough has numerous large lot, tax-exempt properties including Thiel College with an assessed value of $12 million, the UPMC Horizon Hospital at $2.8 million and the Greenville Area School District at $2.6 million.

The value of one mill was $36,609 in 2010. The Borough levied a real estate tax of 31.5 mills (21.5 mills general purpose and 10 mills debt service). During the years 2008-2010 an average of 72% of the tax levy was paid at discount, 11.5% at face, 6.5% at penalty and with the remaining 10% turned-over to the county for delinquent collections. Since 2008 under the provisions of Act 47, the Borough's resident earned income tax rate has been 1.65% while the non-resident earned income tax rate has been 1.42%. Since 2007 the EIT revenues have annually averaged approximatley $820,000 with the exception of 2009 when $900,000 was collected. During 2006 and 2007, an average of $143,000 was collected from the Emergency Services Tax (EST), (under Act 511 - replacing the Occupation Privilege Tax). In 2008 the EST was replaced by the Local Services Tax (LST). During 2008-2010, the LST tax revenues declined to an average of $88,000 per year (due to the initiation of a $12,000 minimum income threshold and collection of the tax over the course of the year rather than in one January payment). Licenses and Permit fees have remained fairly stable at approximately $100,000 per year while Fines and Forfeits revenues have declined in every year since 2007 from $91,000 to $59,000.

Expenditures Summary

The general fund operating expenditures totaled about $2.8 million in 2010. Nearly 50% of annual operating expenditures supported Public Safety services (police – 62%, fire – 34%, and codes – 4%), 14% for Public Works, 13% for Employee Healthcare, and 12% for Debt. The remaining 11% was distributed across general government administration, culture and recreation, and property, casualty and surety insurance. In 2010, the Borough spent in excess of $2 million on personnel inclusive of salaries and wages, health insurance (medical, dental, vision, short-term disability, life), fringe benefits, pension benefits and workmen's compensation insurance while the remaining funds were used for goods and services; which breakdowns in percentages to 71% for personnel associated costs and 29% for goods and services expenditures. The average annual wage for full-time Borough employees in 2010 was $50,644 or $974 per week; compared to the general population in Mercer County at $618 per week or $32,136 annually. The aggregate funding level (funded ratio) for the Borough's three Pension Plans was 106.14% as of January 1, 2009. Currently, the Borough maintains three debt obligations (not including accrued debt for compensated absences): a general obligation bond that was issued in 2005, and two zero-interest Act 47 loans due to be paid-off at 2013 end. The current balance (as of December 31, 2010) for the 2005 Bond series debt was $3,180,000 and the current balance due to the PA Department of Community and Economic Development for the two Act 47 loans was $318,000. The annual debt service payment in 2010 (principal plus interest) was approximately $289k.

Summary of Findings

The borough over the last three years has experienced a consistent structural deficit of $500,000 to $550,000. The deficit has been funded through the court approved additional levy of Earned Income Tax on residents and non-residents of Greenville Borough.

In order to regain financial stability, the borough must take steps to restructure the organization and staffing for its municipal service delivery. Since 2008 significant changes have been undertaken. Of particular note are the re-organization of the public services area, the borough's financial management function, the replacement of the public works facility and the transfer of responsibility for the provision of recreation and leisure activities to the YMCA. Reductions in insurance, electrical utility and professional service expenses through borough initiatives to seek competitive proposals are also commendable. But, as each year's general operating budget is developed, reviewed and deliberated, a structural deficit of over $500,000 remains. Any financial savings attained have not led to permanent overall reductions in the annual cost of operating the borough. If anything, it becomes increasingly apparent that the borough has no choice but to move to the next step and make significant changes to its operating circumstances. The 2011 amendments to the borough's recovery plan focus on reducing the borough's structural deficit. The actions as indicated will maintain borough services but at a reduced annual cost.

I. COMPLETED OR REVISED RECOVERY PLAN RECOMMENDATIONS

Completed or Revised Recovery Plan Recommendations

A review of the existing revised recovery plan recommendations indicates that the borough has wholly or partially completed many recommendations. In the development of the revised recovery plan amendment some of the remaining recommendations have been restated or revised. The following is a list of recommendations that will be eliminated, revised or replaced with the adoption of the revised recovery plan amendment.

General Government

4. The borough currently does not meet the records management standards from the *Standards for Effective Local Government* nor does it currently meet either recommendation adopted in the original recovery plan. It is imperative that Greenville Borough Administration adhere to and support Council's intent to follow the schedules and procedures for disposition of records as set forth by Act 428 of 1968**.**

To support this effort, the borough shall apply for an Act 47 grant to complete an update of the borough's codification of ordinances through 2008.
Provided a summer intern through the Local Government Academy's Summer Internship Program is not found the Borough Manager should look for alternative solutions for acquiring assistance with the Borough's Records Management Program. Those options include but are not limited to the following:

a. PennSERVE: The Governor's Office for Citizen Service provides grant funding for the operation of AmeriCorps national service programs by community and faith-based not-for-profit organizations, government agencies, and educational institutions. The grants support the administration of volunteer service programs that meet locally-identified needs in the areas of education, the environment, public safety, homeland security, and other critical areas.

b. The PA Historical & Museum Commission - Archives and Records Management Grant: Funding assistance is available annually to assist municipal and county governments and school districts preserve their historically valuable records. The grants can be used to acquire professional assistance, purchase archival supplies or equipment, or to aid in the processing and re-formatting of archival collections.

c. Higher Education Internship Program: Colleges and Universities maintain internship programs for third and fourth year students.

6. Each borough employee shall have a file prepared with essential information enclosed. It shall include full name; date of birth; current address; current position; date of hire; dates and types of all promotions or demotions; driver's license number (if required for employment); type of driver's license with restrictions relative to the employment noted; job description for the current type of employment; and record of all training received. The employee and his department supervisor and/or borough secretary/manager should review the current job description. The employee shall sign and date, said job description, and the supervisor shall also execute the same with a witness. Documentation included in the personnel folder should include the I-9 federally mandated immigration documentation; Pennsylvania required "Right to Know" training documentation; special training the employee may possess, such as a Commercial Driver's License (C.D.L.); PA Act #120 Training; as well as any awards, citations or recognition received.

<u>Recommendations included in the 2007 plan revision</u>:

11. The borough should undertake a review of the current utilization of space within the municipal building and determine what minor renovations would support the implementation of the recommendations in regard to financial management and records management.

Additional Recommendations included from 2008 discussions:

15. Greenville Borough shall create an annual administrative calendar to identify all repetitive reporting/contracting deadlines, critical budget and tax collection dates/time periods, etc.

17. Greenville Borough Council shall consider the reorganization of the supervisory responsibilities of the public safety and public services departments by creating a public safety director's position to manage and supervise the daily operations of the police and fire departments**]** and a public services director to manage and supervise the daily operations of the public works department and sanitary authority. The position of public safety director and public services director shall replace the position of police chief and, fire chief, superintendent of public works and superintendent of the sanitary authority.

Financial Management

28. The borough shall evaluate all delinquent parcels and those thought to have sufficient value shall be designated for sheriff sale.

33. The borough, working with the coordinator and DCED, shall conduct a review and evaluation of current earned income tax collection procedures, and institute improvements in the administration of the earned income tax operation.

38. The borough shall make revisions to the occupancy ordinance to ensure that adequate controls are in place to register all tenants with the borough. The amendment shall require all landlords to supply a list of tenants to the borough quarterly. The borough shall share the information garnered from the permit and tenant list with all tax collectors to ensure timely registration of taxpayers.

Additional Recommendations included in the 2007 plan revision:

48. Greenville Borough as part of its effort to establish a sound and effective financial management system shall utilize the PA Department of Community & Economic Development Chart of Accounts. (The DCED Chart of Accounts manual can be found on the DCED website under Local Government Services B Publications.)

49. As part of the implementation of a fund accounting system, the borough will establish practices which support the annual operating and capital budget processes as well as internal and external auditing and reporting practices. The practices shall include the maintenance of files organized on a monthly basis and comprised of all documentation which supports the accounting and payroll transactions as well as copies of journals, ledgers and trial balances, as appropriate. Files must be maintained on a timely basis. Regular interim reports of revenues and expenditures shall also include the date that the revenue was received or the expenditure was processed.

50. Regular interim (monthly) financial reports for all funds (not just the General Fund) shall be provided to Council, including but not limited to: Liquid Fuels Fund, CDBG Fund, Streetscape Fund, and Capital Improvements Fund. Regular interim (monthly) reports of actual revenues and expenditures as compared to budgeted amounts for the General Fund shall be accompanied by commentary from the preparer to highlight extraordinary---positive as well as negative---circumstances and concerns (Standards for Effective Local Government, Municipal Accounting, Standard No. 2).

51. The regular interim (monthly) report to Council shall indicate the current fund balance in each of the funds being reported with appropriate designations; reserved, unreserved, designated or undesignated.

52. The interim (monthly) financial reports shall be included as a recurring agenda item for Borough Council's regular monthly meetings. Borough Council shall as an exercise of their fiduciary responsibility, critically review and analyze all financial information presented and request additional information if necessary to make an informed decision.

53. All budgeted operating and capital expenditures shall be approved or ratified by Borough Council. Any expenditures in excess of the amounts budgeted should be presented to Borough Council for approval prior to a purchase. The source of revenue to support the expenditure(s) in excess of the amount budgeted must be identified at the time an expenditure is approved.

61. Budget procedures shall be established and followed to include: the preparation of a budget calendar (to guide budget preparation and adoption) and provides for at least one public hearing on the budget subsequent to proper public notification (advertising) (Standards for Effective Local Government, The Municipal Budget: The Process, Standard No. 4).

62. The annual budget shall contain a budget message which, among other things, draws attention to positive financial circumstances as well as areas of concern (Standards for Effective Local Government, The Municipal Budget, The Process, and Standard No. 2).

65. Greenville Borough shall adopt purchasing and contracting regulations that specify the duties of the purchasing agent, the procedure for obtaining competitive bids, how to purchase items which do not require bids and how and under what conditions emergency purchases may be made. These regulations should be adopted by Borough Council in the form of an ordinance or resolution (Standards for Effective Local Government, Purchasing Policy and Procedures, Standard No. 1).

66. The Borough currently has an ad-hoc inventory control system for administrative supplies. This control system in addition to an inventory control system for maintenance/construction supplies and materials shall be implemented in writing (Standard for Effective Local Government, Purchasing Policy and Procedures, Standard No. 2).

77. Delinquent real estate accounts should be turned over to the tax claim bureau on a timely basis. The tax claim bureau should vigorously pursue overdue accounts and use whatever means available to facilitate collection of outstanding real estate revenue (Standards for Effective Local Government, Financial Management, Revenue Collection, and Standard No. 6).

Financial Management from discussions in 2008:

84. The Borough treasurer, with the authorization of borough council, shall make transfers from the 2006 year-end general operating fund balance to the capital improvements fund, to create a reserve for future debt and an internal tax anticipation loan fund in accordance with decisions made by Council prior to the end of 2007.

86. Borough Council and staff shall create a contingency plan to address revenue shortfalls resulting from delays in real estate, earned income and local services tax revenue collections in 2008.

Insurance

98. The borough shall have a new valuation completed of all borough property in time for the borough's insurance broker to utilize these values in the bidding of their property insurance renewal in 2009. REPEATS RECOMMENDATION 12

100. The borough shall annually audit and review the vehicle list to ensure the accuracy of all vehicles on the inventory list.

102. The borough shall review the commercial insurance policy, as well as its boiler and machinery policy, to ensure that adequate coverage is provided and not duplicated.

Human Resources from discussions in 2008:

126. The Borough shall request the assistance of a DECD peer consultant to review and revise the borough's police and fire Civil Service Rules and Regulations to reflect present procedures and practices.

Public Safety - Police

129. The borough should seek grant funding for the vests and safety equipment needed in the department.

Public Safety - Fire

Additional Recommendations from 2007 revision:

147. The borough shall seek authority via the PLRB to remove the fire chief from the bargaining unit.

Fire Department from 2008 discussions:

149. The borough shall consider the costs and benefits of providing a paid ambulance service as part of the fire department.

Public Works

Retained Recommendations:

149. Borough Public Works Superintendent should develop a business calendar outlining all work assignments for the year and a review process on how the work was completed (Standards for Effective Local Government, Section X, Municipal Public Works Management, Overall Management of Public Works, Standard No. 3, 5, 6 and Municipal Streets, Standard No. 2).

150. The borough should develop a long-term strategy for the public works facility needs and integrate the results into the capital budget.

151. The borough shall closely monitor the expenses of the public works department and any expenses that should be assigned to the sanitary authority should be included on the quarterly reimbursement from the authority.

Additional Recommendations from 2007 revision:

153. The Borough of Greenville Public Works Department should establish its identity. It should establish a uniform protocol with a Borough logo that identifies the personnel and vehicles as members of the Greenville Public Works Department. Currently, the department has vehicles and equipment without the municipal name on them. The employees need to be consistent in their presentation to the public. The department should have a branding in which they will proud of their work and work environment. This can be accomplished through the proper recognition of the

department and the members. In addition, a brainstorming session with the public works employees would provide the incentive for the workers to feel part of the process again.

155. The Borough shall continue to work cooperatively with the adjacent municipalities and Thiel College in the provision of services and acquisition of materials, equipment and supplies, as appropriate.

158**.** The Public Works Department Superintendent should submit monthly progress reports on the implementation of public works projects to the Borough Manager/Borough Council. This recommendation can be easily completed by providing a written report for each Borough Council meeting (Standards for Effective Local Government, Section X, Municipal Public Works Management, Overall Management of Public Works, Standard No.6).

161**.** Borough Council shall continue to pursue the relocation of the Public Works Garage. In cooperation with the Act 47 Coordination, the Borough should evaluate the financial obligations of a new Public Works Garage as proposed on Borough property adjacent to the Fire Station. In addition, the Borough should continue to consider and evaluate other viable options as they may be presented until such time that a final decision on a location is required.

163. The Department's Capital Plan and Budget for vehicle and equipment replacement shall be updated annually.

165. All streets shall be signed, atheistically pleasing, well maintained, and located for maximum visibility in addition to installed according to PADOT regulations and supported by municipal ordinances (Standards for Effective Local Government, Section X, Municipal Public Works Management, Municipal Streets, Standards No. 5 & 6).

Planning and Development

172. Fees associated with building permits and inspections shall be raised to cover the cost of services provided or at least significantly offset the cost to the borough. A comparison of the fees charged by comparable sized communities should be conducted in order to determine the level of increased need for municipal fees.

Additional Recommendations included in 2007 revision:

184. The borough should work with the code enforcement agency to make available to citizens and contractors, a comprehensive checklist which outlines all needed permits and hearings, and other requirements, related to land development and construction activity.

Planning and Zoning from 2008 discussions:

187. The borough shall reorganize the zoning/property maintenance code enforcement function by appointing a part-time zoning officer/property maintenance code official.

Code Enforcement from 2008 discussions:

188. The borough shall reorganize the provision of zoning, building code and property maintenance ordinances by contracting with a third party agency for the enforcement of the uniform construction code (UCC) and appointing a part-time zoning officer/property maintenance code official.

189. The borough shall revise job descriptions for the administrative/code enforcement secretary, and part-time zoning/property maintenance code enforcement officer, once the transition to a third party agency for the UCC occurs.

190. The borough shall restructure the planning, zoning and property code enforcement and permitting processes.

Parks and Recreation

192. **T**he borough shall begin discussions with the Greenville Area Leisure Services Association to evaluate the financial obligation of the borough. These discussions shall include, but not be limited to, reviewing user fees assessed to residents and particularly non-residents that could be increased to offset some of the financial obligations of the borough.

193. The borough should consider relinquishing its recreation management oversight entirely to GALSA with the understanding that GALSA will need to financially support itself beyond an agreed upon borough subsidy: 1) the borough should apply to DCNR under its Community Conservation Partnership Program for funds to undertake a comprehensive recreation study. The borough should approach surrounding municipalities to be a partner in this project. If cooperation is obtained from other municipalities matching funds should be pursued through DCED; 2) Since GALSA serves citizens from surrounding communities, a DCED Shared Services Program for several communities could be justified; 3) GALSA should enter discussions with the school district and surrounding school districts relative to financial contributions.

Additional Recommendations from 2007 revision:

194. Borough Council must reassume all decision making functions for the Parks and Recreation facilities/programs/services for which they are legally liable. The Borough's recreation facilities/programs/services may be achieved by implementing any of the following scenarios.

A. The municipality directly employs a Recreation Director and associated staff. Accountability is directly to the Municipal Manager or the Governing Body.

B. The municipality sanctions a Recreation Authority or Commission in which the Recreation Director and other staff persons are employees of the Authority or Commission. This form and structure has a Board that governs the affairs of the recreation operations and activities.

C. The Governing Body appoints a Recreation Committee that provides oversight and policy recommendations and works with the municipal-employed Recreation Director. In essence, the Recreation Committee has recommending powers but no ownership or direct management of the recreation department and/or functions. The Recreation Committee provides guidance, advocacy and general recommendations to the Governing Body. The Recreation Director works with this type of Board in an advisory and planning capacity.

D. The Governing Body would contract-out the administration and management services of its recreation activities, and pays a fee to the contracting private party.

195. The Organization Structure and Function Analysis may be combined with an in-depth Parks and Recreation Study to include: a) a Parks & Recreation Operations Plan, b) a Parks & Recreation Facility Inventory, c) a Recreation Facility Analysis of Condition, d) a Recreation Facilities Capital Improvement Plan, and e) a User-Fee Analysis for each of the facilities (Riverside Park, Packard Park, Recreation Center, Memorial Pool, York Street Play Lot, and the Sports Complex). This study should be completed by a consultant who has not been involved in a previous capacity in Parks & Recreation planning for Greenville Borough.

Parks and Recreation from discussions in 2008:

196. The borough shall work with GALSA to study and consider alternatives for the maintenance of facilities and provision of parks and recreational services for the community in order to reduce the borough's responsibility for such services.

197. The borough shall adopt user fees to support recreational services and facilities which reflect the cost of providing services.

Authorities

198. The borough shall allocate all fringe benefit and direct payroll costs on a proportional basis for the costs of the three borough employees charged with management and accounting services.

199. The borough in its reimbursement request shall include all costs relating to workers' compensation including any premium debits and other increases to the basic rate including the experience modification factor.

200. In an effort to improve cash flow and maximize investment earnings, the borough shall reimburse to the general fund, estimated costs relating to the sewage personnel on a monthly basis and deduct these estimated reimbursements from the quarterly billings.

Sewer Authority Recommendations from 2008 discussions:

208. The borough shall eliminate the conflicts caused by having elected officials serve as sewer/water authority board members by appointing non-elected officials to future vacancies.

209. The borough shall assess the operation of the sewer authority.

Requests for DCED funding from 2007 revision:

• Financial management software, installation, training, support	$10,000
• Computer hardware for financial management software	$12,000
• Peer consultant to develop/monitor records management plan for implementation by LGA intern of Ameri-corps employee	$2500 - $5000
• Contract for industrial appraisal to meet insurance and GASB compliance	$10,000 - $12,000
• Peer Consultant to revise police civil service rules and regulations	$2500
• Peer Consultant to update police operations manual	$2500 - $3000
• Peer Consultant to inventory/document capital facilities, equipment and vehicles and develop a strategy for an assessment of the infrastructure	$2500 - $3000
• Peer Consultant to do pavement management assessment	$2500 - $3000
• Peer Consultant catalog/inventory delinquent real estate to assess potential for sheriff's sale	$2500

PA Historical Commission grant:

- Equipment and supplies to digitize borough records

DCNR Grant

• Comprehensive parks and recreation study	$25,000 - $30,000

<u>Additional requests for DCED funding from 2008 discussions:</u>

The following will be added to the requests for DCED funding assistance:

• revision of police/fire civil service rules and regulations	$3000 - $4000
• feasibility study for contracting of public works services	$2500 - $3000
• feasibility study of adding ambulance service to fire department	$2500
• assess cost/benefit of paid versus volunteer fire department	$5000
• revise computer hardware/software request to fund multi-user access, payroll and budget modules	$10,000
• request reinstatement of DCED grant to fund records management project to digitize borough records	$70,000

Completed Recommendations

Fifty-four recommendations in the Revised Recovery Plan will be eliminated with the adoption of the Amendment to the Revised Recovery Plan. The completion of the recommendations since 2007 signifies in many instances that the borough took steps to update or upgrade the foundations and capacity for the administration and management of the borough. The borough has through the work of its administrative staff and/or with the assistance of a DCED peer or Act 47 consultant adopted revisions to the police and fire civil service rules and regulations, worked to implement a records management program in compliance with the state's records management law, re-organized the borough's personnel records, purchased and installed new computer hardware and financial management software to support more detailed and function oriented financial reporting on a monthly basis, transitioned to a contract with a third party agency for implementation of UCC inspections, re-organized the management and supervisory responsibilities for the streets and sewer authority under a Public Services Director and completed assessments of the borough's vehicle, property and casualty insurance coverage, public works department and sewer authority operations. In addition, the borough completed the construction and transfer of public works operations to the new public works garage and most recently, partnered with the Shenango Valley YMCA to provide recreation and leisure services and programs to Greenville residents. Work still in progress includes the development of a comprehensive capital improvements plan, a review and revision of the borough's personnel policy and the completion of the DCED peer consultant's study of the fire service. All of the actions noted were/are associated with previously authorized Recovery Plan recommendations and contribute to a strengthened management capacity.

Cost Savings: 2007 – 2011

The borough also realized some cost savings as a consequence of the completed recommendations, although it has not realized any permanent reduction in total annual general fund expenditures. More aggressive purchasing has generated savings for property, casualty and vehicle insurance, the annual financial audit, and utility fees. Decisions associated with the use of an accumulated general fund balance of approximately $1.3 million in the fall of 2007 also decreased costs. The borough created a $350,000 general fund reserve to eliminate the need for annual tax anticipation borrowing and the payment of $6000-$8000 in interest. In December 2007 the borough reduced its annual debt service by paying the outstanding balance of a $91,000 loan for the 1999 fire truck. A $435,700 reserve for debt service was created to support approximately $73,000 in debt service for the years 2008 -2013. About $425,000 of the fund balance supported road improvements, fire hydrants, two vehicles, computer hardware and software, municipal building roof repairs and architectural work related to PA Department of Labor & Industry compliance. At the end of 2011, only the $350,000 the borough uses to avoid borrowing in anticipation of taxes and $142,000 in the debt reserve for use in 2012 and 2013 will remain.

Staffing: 2007-2011

Since 2007 the composition of the borough full and part time staff has changed. In 2007, there were 25 full – time and 6 part time employees supported by the general fund budget. In 2011, there are 21 full-time and 12 part-time, a reduction of 4 full-time and increase of 6 part-time positions. There are also 5 volunteer fire fighters in 2011. The salaries and benefits of the borough manager, borough manager's secretary, treasurer and public services director are partially funded by the sewer authority. In 2011, the sewer authority's financial responsibility for the positions is greater than previous years. In 2007 and 2008, the earned income tax rates for resident and non-residents were 1.6% and 1.34%. The earned income tax rates were raised slightly to 1.65% for residents and 1.42% for non-residents in 2009 and have remained at the level through 2011. The impact of the decrease in full-time employees and increase in part-time staff has been to mitigate against further increases in earned income rates since 2009 and real estate tax rates over the last five years.

II. REVENUE ASSESSMENT

Revenue Assessment

Note: The Revenue Assessment is based on data for the years 2007-2010 drawn from: 1) Borough Treasurer's Reports, Annual Audited Financial Reports, GS-30 Annual Audit and Financial Statement as submitted to the PA Department of Community and Economic Development, and the borough's 2011 Adopted Budget; and 2) in all years General Fund Revenues are recorded on a cash basis.

Total Revenues

The Borough of Greenville's revenue structure is comprised of seven major revenue categories (as per the DCED GS-30 Annual Audit and Financial Report): tax revenues; licenses and permits; fines and forfeits; interest, rents, and royalties; intergovernmental revenues; charges for services; and other financial sources.

As is shown in Chart RA-1 and Table RA-1, nearly 69% of the Borough's revenue is generated from tax revenues. Tax revenues are by far the most important revenue source in Greenville Borough with 53% of total tax revenues generated by real estate taxes and 40% from earned income tax revenues.

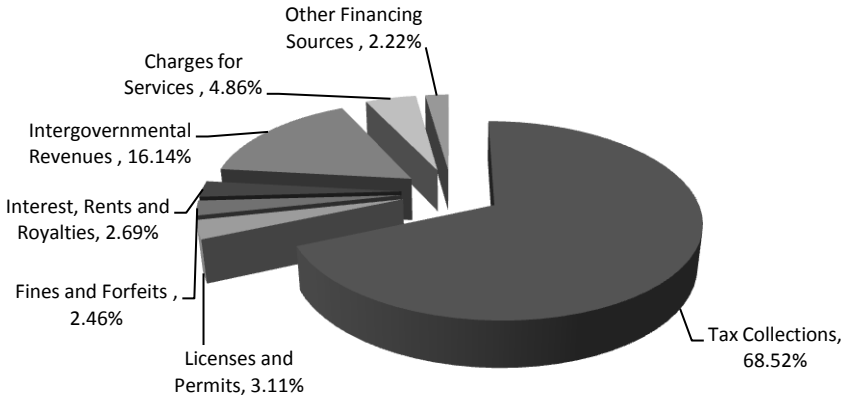


Chart RA-1: Major Revenue Categories by Percent of Total Revenue

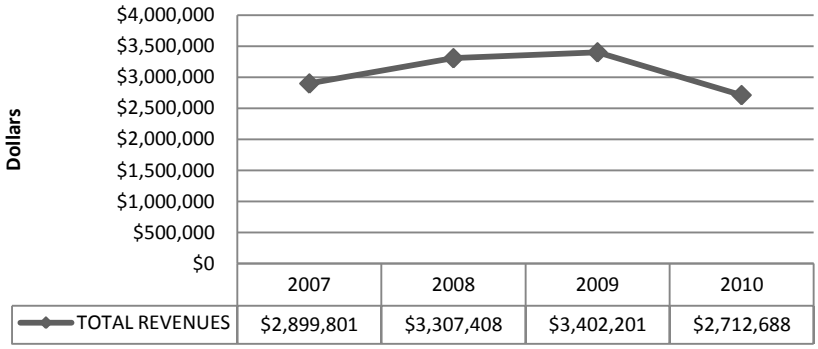
The second largest source of revenue, in the four year period examined, is Intergovernmental Revenue that account for over 16% of total revenues. However, it is important to note here that intergovernmental revenue for the period examined include an excess of $1.4 million in federal grant funds that were allocated to the construction of the Borough's Streetscape Projects and $350,000 in capital bond funds for the new Public Works Garage. Although Intergovernmental Revenue is typically the second largest revenue source in Greenville, the average revenue for this source is less than $300,000 annually including federal, state, and local intergovernmental revenues.

REVENUE	2007 (audited actual)	2008 (audited actual)	2009 (audited actual)	2010 (audited actual)
Tax Revenues	$2,197,463	$2,072,796	$2,142,274	$2,030,247
Licenses and Permits	$98,890	$89,657	$91,857	$102,386
Fines and Forfeits	$90,653	$81,181	$72,108	$59,470
Interest, Rents and Royalties	$122,993	$89,924	$58,597	$60,048
Intergovernmental Revenues	$154,347	$757,361	$842,792	$234,191
Charges for Services	$158,401	$137,305	$142,865	$160,679
Other Financing Sources	$77,054	$79,184	$51,708	$65,667
TOTAL REVENUES	$2,899,801	$3,307,408	$3,402,201	$2,712,688

Table RA-1: Major Revenue Categories 2007-2010 (actual)

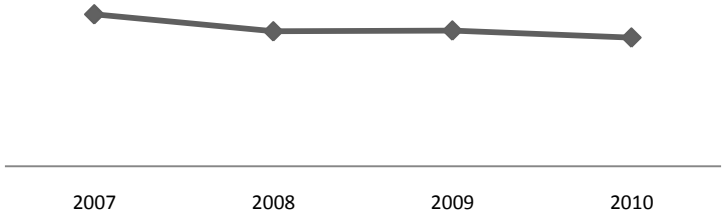
Note: Data drawn from the Borough's Annual Financial Audit and Supplemental Information prepared by Paparone, Stillwaggon and McGill, CPA's.

The data in Graph RA-1 was drawn from audited financial statements. The graph indicates a positive revenue trend for years 2007-2009, and a decrease in 2010. This trend is not a true reflection of the revenue trend due to the receipt of large amounts of federal intergovernmental grant funds and use of capital projects funds in 2008 and 2009.



Graph RA-1: Total Revenues, 2007-2010 (actual)

Adjusting the revenues by removing all intergovernmental revenue for the years 2007-2010, as shown in Graph RA-2 is a more accurate depiction of the Borough's revenue trend line. The dollar values have been removed to show only the trend line.



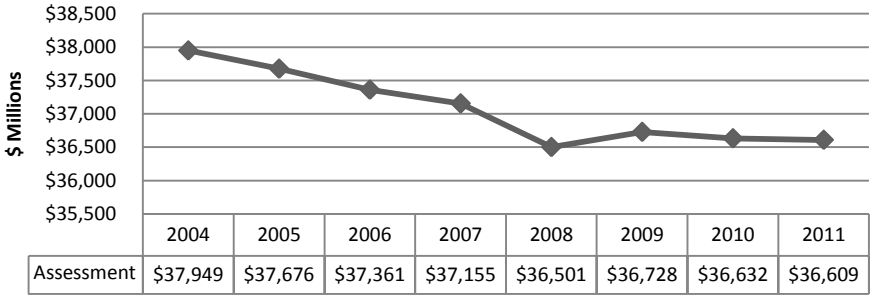
Note: Values are not shown intentionally. Purpose of graph is to display trend.

Graph RA-2: Revenue trend - less Intergovernmental Revenues, 2007-2010

Assessed Valuation

Real estate taxation is based upon assessed value of real property. Assessed values for Greenville Borough are determined by the Mercer County Tax Assessment Bureau. As new construction occurs and as improvements are made to properties, assessed values are adjusted to reflect the changes. In addition, as demolitions occur or as values are successfully appealed, the assessed values by property are reduced.

Historically (2004-2011), the assessed value for Greenville Borough has declined each year with the exception of 2009 where an increase in assessed valuation was due to the new construction of three commercial establishments on Main Street (Family Video, Rite Aid and Sheetz).

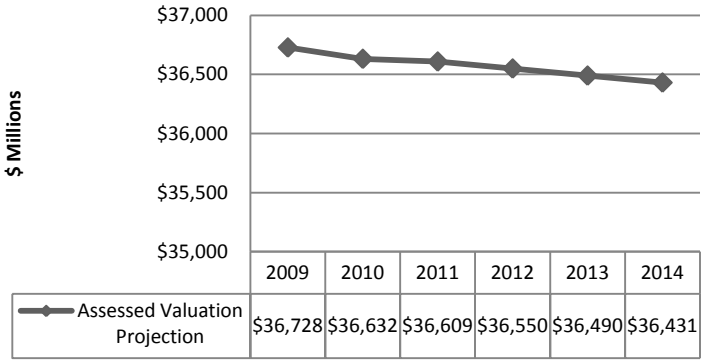


Graph RA-3: Assessed Valuation 2004-2011 (actual)

The declining trend represents an average annual decline of -.61% and overall decline in excess of 4% for the years shown (2004-2011). This trend has stabilized somewhat in the years 2008 – 2011. The Revised Recovery Plan (2008) reported a 7% decline in assessed valuation for the years 1998-2007.

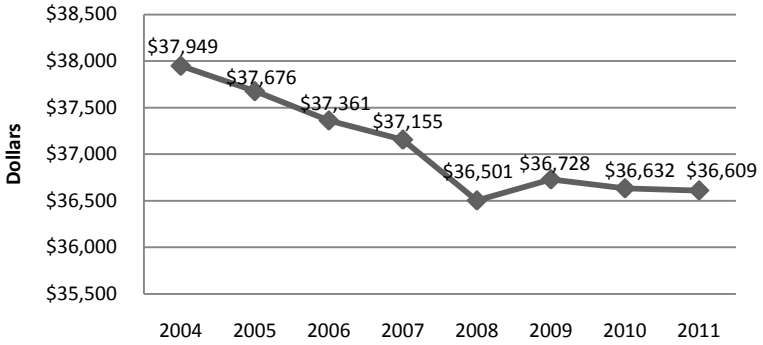
The projected assessed valuation for the years 2012-2014 is shown in Graph RA-4 below. The projected values were calculated using the Transformation Moving Average (TMA) projection method that averages changes over time and then applies those averages to future years; in this case, the years 2012, 2013 and 2014.

The assessed valuation trend, as shown, is a negative trend indicating a declining assessment each year through 2014. This trend does not take into consideration any new development or redevelopment that may occur (such as occurred in 2009 with the three new commercial establishments on Main Street: Family Video, Rite Aid, and Sheetz).



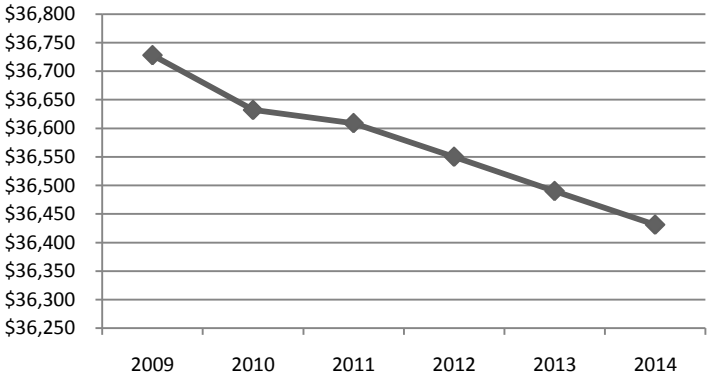
Graph RA-4: Assessed Valuation Projection 2009-2010 (actual), 2012-2014 (projected)

As a result of declining assessed values, the value of one mill in Greenville Borough has declined from $37,949 in 2004 to $36,609 in 2011 (see graph below). These decreases directly impact the current year real estate tax levy and revenues generated from "current year" real estate taxes. In comparing the trend line in Table RA-5 (Value of 1 Mill) with the trend line in Table RA-6, you will find a similar trend; as the value of one mill is based on assessed valuation.



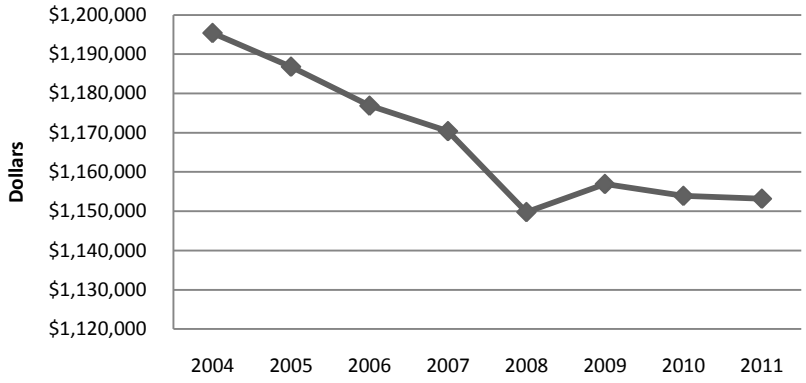
Graph RA-5: Value of 1 Mill 2004-2011(actual)

The value of one mill is also projected to decline. Using the TMA method, the projected reduction in the value of 1 mill is shown in Graph RA-6 below.



Graph RA-6: Projected Value of 1 Mill, 2009-2011 (actual), 2012-2014 (projected)

The Borough has operated with the same tax millage rate and declining assessed value for 10 years (2002-2011). In dollars adjusted for inflation (to show the buying power of 31.5 mills over time), 31.5 mills was worth $1,195,391 in real estate tax revenues in 2004 as compared to $1,015,550 in 2010. In addition to a declining assessed value, the Borough's tax revenues have been affected by inflation.



Graph RA-7: RE Current Year Tax Levy 2004-2011

Tax Revenues

The Borough of Greenville's tax revenue structure is comprised of real estate, and five Act 511 taxes (realty transfer, resident and non-resident earned income, occupation privilege/emergency/local services, per capita, and mechanical devices). These six taxes form the foundation for the Borough's financial capacity. It is essential that the revenue administration or collection processes for tax revenues be efficient as well as effective.

Chart RA-2 below, shows the average percentages for the six tax revenue types for the years 2007-2010 (actual revenues). The real estate tax accounts for an average of 53% of total revenues and is the single most important e source of local tax revenue in Greenville Borough. The second largest source of revenue in Greenville is the Earned Income Tax revenue that make-up an average of 40% of the annual tax revenues.

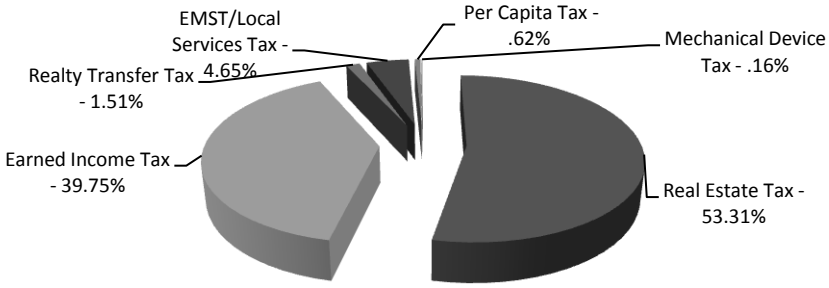


Chart RA-2: Tax Revenues as a Percent of Total Revenues

REVENUE	2007 DCED GS-30 (actual)	2008 DCED GS-30 (actual)	2009 DCED GS-30 (actual)	2010 DCED GS-30 (actual)
Real Estate Tax	$1,155,503	$1,094,403	$1,117,022	$1,114,139
Earned Income Tax	$828,718	$817,161	$901,416	$798,956
Realty Transfer Tax	$52,795	$48,863	$22,001	$17,354
EMST/Local Services Tax	$143,105	$96,932	$85,142	$83,794
Per Capita Tax	$13,842	$12,237	$12,993	$12,604
Mechanical Device Tax	$3,500	$3,200	$3,700	$3,400
TOTAL TAX REVENUES	$2,197,463	$2,072,796	$2,142,274	$2,030,247

Table RA-2: Tax Revenues 2007-2010

Real Estate Tax Revenues

Real Estate tax revenues include three types of real estate tax: current year, prior year, and delinquent real estate taxes. As shown in Chart RA-3, "current year" real estate tax revenues accounted for an average of 88% of the total annual real estate tax revenues (2007-2011).

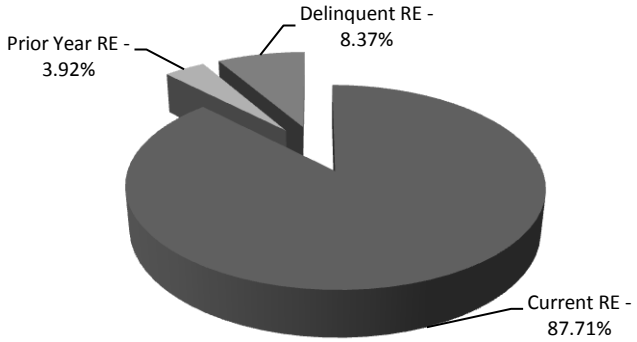


Chart RA-3: Real Estate Tax Revenue Breakdowns 2007-2011

Real Estate	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (Budgeted)
Current Year RE	$697,069	$683,042	$659,671	$663,671	$690,273
Current Year RE Debt	$328,837	$317,752	$306,880	$308,741	$321,057
Subtotal	$1,025,906	$1,000,794	$966,551	$972,412	$1,011,330
Prior Year RE	$44,809	$24,485	$27,372	$30,857	$25,000
Prior Year Debt RE	$16,483	$11,390	$12,734	$14,355	$15,000
Subtotal	$61,292	$35,875	$40,106	$45,212	$40,000
Delinquent RE	$89,206	$36,286	$72,528	$85,981	$50,000
Delinquent Debt RE	$27,035	$17,217	$32,731	$38,681	$25,000
Subtotal	$116,241	$53,503	$105,259	$124,662	$75,000
TOTAL	$1,203,439	$1,090,172	$1,111,916	$1,142,286	$1,126,330

Table RA-3: Real Estate Tax Revenues

Note: The data for the above table was drawn from the Year End Borough Treasurer's Reports.

Real Estate Tax: Collection Process

The collection of real estate taxes in Greenville Borough is the responsibility of the elected real estate tax collector. The Greenville Borough real estate tax collector is also responsible for the collection of all current borough, school, and county real estate taxes.

In Greenville Borough, tax bills for municipal and county real estate taxes are mailed April 1 of each year; and July 1 of each year for school district real estate taxes. If a single tax payer owns more than one parcel of real estate, a separate tax notice must be sent for each parcel. The registered owner of real property at the time when the taxes were assessed against the property is liable for payment of taxes on the property. The local tax collector is required to mail the tax notice to the last known post office address. Failure to receive a tax notice does not relieve any taxpayer from liability.

The *Local Tax Collection Law* establishes the discount, face and penalty schedule and is determined by the date of notice (postmark date on the envelope not the date on the tax bill):

> Discount: A discount of 2% is applied to the whole amount of the tax if paid within 2 months after the date of the tax notice. (Greenville - Municipal/County: April 1 – May 31)
>
> Face: The full amount of tax if paid during the 2 months following the end of the discount period. (Greenville - Municipal/County: June 1 – July 31)
>
> Penalty: A penalty of 10% is applied to all taxes not paid within 4 months after the date of the tax notice. (Greenville - Municipal/County: August 1 – December 31)

The Borough's real estate tax collector utilizes a software package specifically designed for real estate tax collection purposes. Receivables are posted to individual accounts when paid. Deposits are made on a regular basis and reports are distributed to the taxing district treasurer (Borough Treasurer for municipal taxes) on or before the tenth day of every month as required by law. The taxing district (Borough Council) may require more frequent payments by ordinance or resolution.

Currently, the Greenville Real Estate Tax Collector accepts full payment of current year taxes in the form of cash or check. ***For tax year 2012, as per the Real Estate Tax Collections Report presented to Borough Council in November 2010, the Borough Manager and Real Estate Tax Collector shall research the feasibility of accepting debit and credit cards through Gov.Pay for receipt/payment of current year real taxes (Recommendation #70).*** Through Gov-Pay, the Borough will not be charged fees that are typically associated with debit and credit card uses. Instead, the fees are paid by the card user as an automatic additional charge to their debit or credit card each time a debit or credit card is used for payment. The typical fees associated with Gov-Pay are 1.95% of

total or a $3.00 minimum for debit card use with pins; and 2.65% of total or a $3.00 minimum for credit card use and debit cards without pins.

In addition, ***beginning in 2012, as per the Real Estate Tax Collections Report presented to Borough Council in November of 2010, Council shall consider implementing an installment payment process for the payment of real estate tax bills (Recommendation #71).*** Further, Borough Council should discuss this option in greater detail with the County Board of Commissioners. It is not recommended that the Borough consider implementing an installment payment process only for municipal taxes but should include the installment payment process for both taxing authorities (municipal and county) on the spring tax notice.

In 2006, the *Local Tax Collection Law* was amended to provide for the requirement of special reminder notices to be sent to property owners who have not paid the current year real estate tax within 4 month of notification – receipt of tax bill. In Greenville, the special reminder notices may be sent on August 1st of each year. Currently, the Borough's real estate tax collector sends the special notices in October of each year. ***Beginning in 2012, delinquency notices that conform to state rules and regulations shall be sent by the Borough's Real Estate Tax Collection in August of each year (Recommendation #72).***

In addition, the 2006 amendments require that the notice be sent by first class mail, and include the following message in 18 point or larger text:

> YOUR REAL ESTATE TAXES HAVE NOT BEEN PAID ON TIME AND A PENALTY HAS BEEN ADDED TO THE AMOUNT YOU OWE. IF NOT PAID BY DECEMBER 31, YOUR REAL ESTATE TAXES WILL BE DELINQUENT. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT (NAME OF TAX COLLECTOR) BY MAIL AT (ADDRESS) OR BY TELEPHONE AT (TELEPHONE NUMBER). IF YOUR REAL ESTATE TAXES ARE TO BE PAID FROM AN ESCROW ACCOUNT ESTABLISHED IN CONNECTION WITH YOUR MORTGAGE, YOU SHOULD CONTACT THE COMPANY MANAGING YOUR ESCROW ACCOUNT."

The Borough's real estate tax collector is required to make settlement and turn-over all uncollected tax bills to the Mercer County Tax Claim Bureau no later than January 15th of each year. When settlement is accepted, the local tax collector is then discharged from liability for collection of unpaid tax bills for the prior tax year. The prior year's tax bills are then considered to be delinquent.

"Current Year" Real Estate Tax: Collections

Currently, there are two issues in Greenville Borough related to "current year" real estate tax collections. First, the current year real estate tax revenues that have been historically budgeted are substantially less than the actual current year real estate tax levy (except in 2006 and 2007). Second, the current year real estate tax revenues that are actually collected are less than the amounts budgeted. Chart RA-4 below, indicates the "current year" tax levy, the "current year" budgeted amount, and the actual "current year" collections for the years 2004-2011. The bar above each year, located farthest to the left,

indicates the "current year" tax levy – the maximum amount in "current year" tax revenues that may be collected in a given year. The middle bars above each year indicates the budgeted amounts; and the bars located farthest to the right above each year, indicates the amount in "current year" tax revenues that were actually collected in the year the real estate tax was levied.

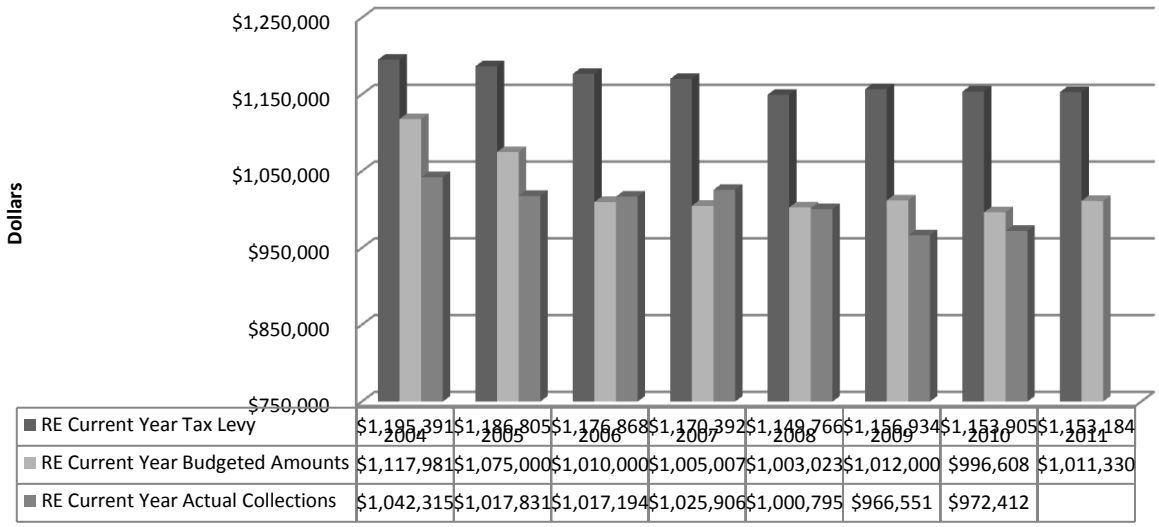
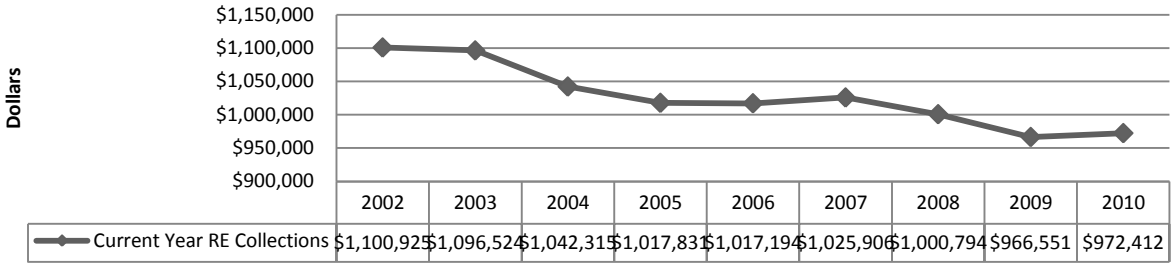


Chart RA-4: A Comparison of the Current Year Real Estate Tax Levy, Budgeted Amounts and Actual Collections (2004-2011)

In 2002, the Mercer County Tax Assessment Office adjusted the ratio of assessed values to market values from 33% to 100%. As a result of this change, the taxable assessment tripled from 2001 to 2002. The Borough then adjusted the millage rate accordingly at 31.5 mills and has maintained the 31.5 mill rate through 2011.

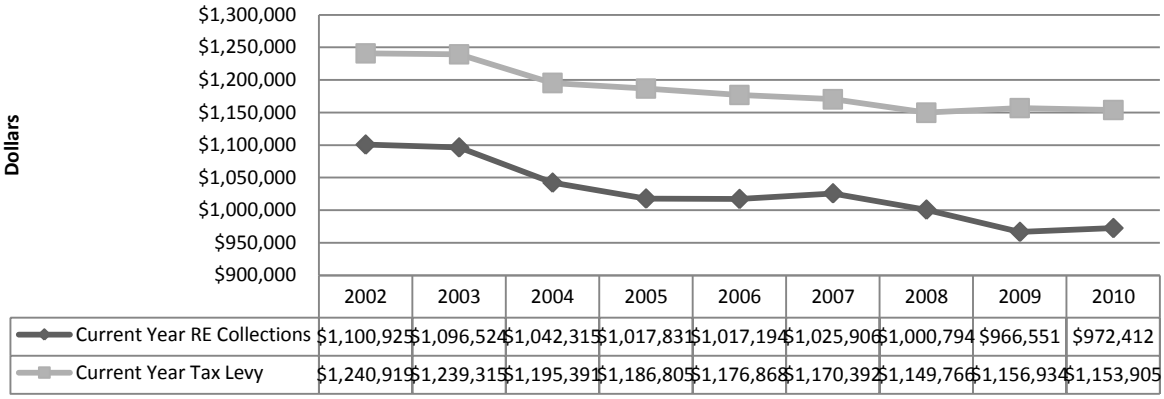
Note: For the purposes of this trend analysis, the "current year" real estate tax collection trends are shown beginning in 2002 – after the reassessment and adjustment. The data contained in this trend analysis was retrieved from the Revised Recovery Plan (2008) for the years 2002 and 2003, the Real Estate Tax Collection Report (2010) for the years 2004-2010, and the Adopted 2011 Budget for the year 2011.

Graph RA-8 below, displays the trend for "current year" real estate tax collections. Due to the stability in millage rates, it is much easier to ascertain the trends in "current year" real estate tax collections for the years 2002-2010 as compared to the trend analysis provided in the Revised Recovery Plan (2008) for the years 1998-2007. As was established in the Revised Recovery Plan (2008), the trend for "current year" real estate tax collections has continued to decline.



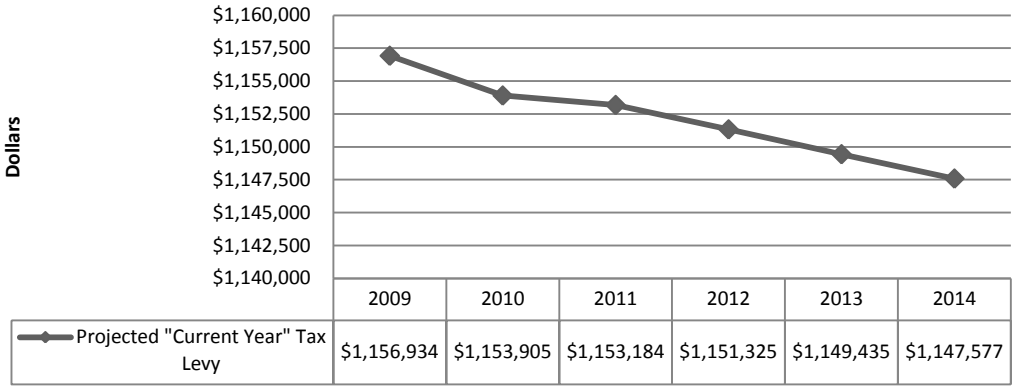
Graph RA-8: Current Year Tax Collections 2002-2010

Keeping in mind that the assessed values have also continued to decline, Graph RA-9 below, shows the relationship between the decline in assessed valuations and decline in "current year" real estate tax collections. To be able to see the true trend as to whether or not "current year" real estate tax collections are increasing or decreasing as compared to the declining assessed valuation the bar chart below depicts the difference (Current Year RE Tax Levy – Current Year RE Collections). The trend is sporadic. An increase in the difference signifies a greater gap between assessed values and current year real estate tax collections and a decrease signifies a lesser gap of the same.



Graph RA-9: A Comparison of Assessed Valuation and Current Year Real Estate Tax Collections 2002-2010

Due to the declining assessed valuation and resulting declining "current year" real estate tax levy for the years 2009-2011, the projected "current year" real estate tax levy also indicates a negative trend using the TMA method for projection for the years 2012-2014 as shown Graph RA-10 below. As a result of the projected declining tax levy, the "current year" collections will also decline.

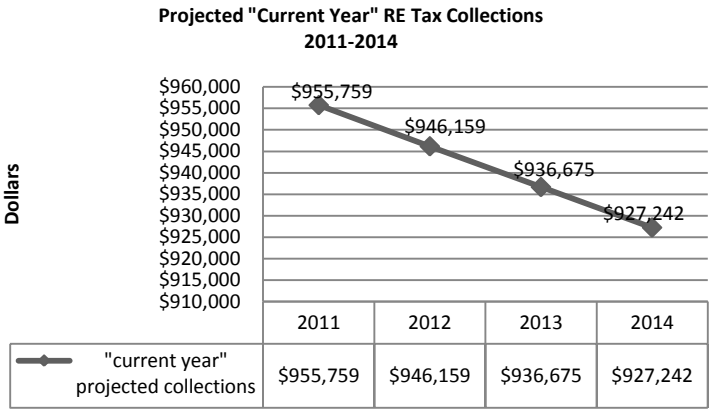


Graph RA-10: Projected Current Year Tax Levy, 2009-2010 (actual), 2011-2014 (projected)

The collection rates for "current year" real estate tax collections and the projected collection rate as shown in Table RA-4 and Graph RA-11 show a negative projection trend through 2014.

Projected "Current Year" RE Tax Collections	2011	2012	2013	2014
Projected "Current Year" Tax Levy	$1,153,184	$1,151,325	$1,149,435	$1,147,577
Projected Collection Rates	82.88%	82.18%	81.49%	80.80%
"Current Year" projected collections	$955,759	$946,159	$936,675	$927,242

Table RA-4: Projected "Current Year" Real Estate Tax Collections 2011-2014
Note: Explanation of projection calculations is located in the Technical Appendices.



Graph RA-11: Projected "Current Year" Real Estate Tax Collections 2011-2014

"Current Year" Real Estate Tax: Collection Rates

When calculating the current year real estate tax collection rates for the Borough of Greenville, two methods or approaches can be taken. The current year real estate tax

collection rate can be derived from the actual tax levy or it may be derived from the budgeted amount. The financial reports distributed to Council each month indicate a percentage of the collection based upon the budgeted amount. However, a true collection rate is based upon the actual tax levy.

In addition, Greenville Borough also budgets separately for prior year real estate tax collections. This line account represents the real estate taxes collected in December of each year that are not transferred until January of the following year. For example, the current year real estate taxes collected in December 2010 were not deposited until January of 2011. Therefore, when calculating actual collections in any given year for current year real estate taxes, the actual collections represent eight months of collection activity (April – November) – as opposed to an entire collection period of nine months (April-December).

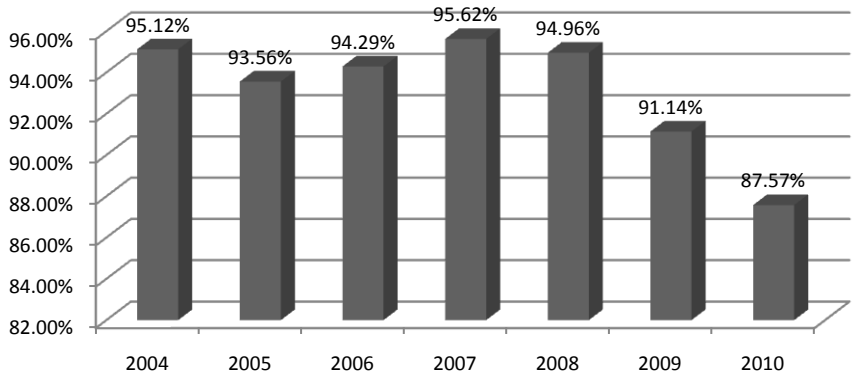


Chart RA-5: Collection Rate per Tax Levy 2004-2010 (adjusted to a 9 month collection period)

	2004	2005	2006	2007	2008	2009	2010
Current Year Collections (April-Nov)	$1,042,315	$1,017,831	$1,017,194	$1,025,906	$1,000,795	$966,551	$972,412
December (as collected in January of the following year as "Prior Year")	$26,000	$31,000	$31,000	$40,300	$35,700	$39,000	$38,112
TOTAL	$1,137,071	$1,110,361	$1,109,666	$1,119,170	$1,091,776	$1,054,419	$1,010,524
RE Current Year Tax Levy	$1,195,391	$1,186,805	$1,176,868	$1,170,392	$1,149,766	$1,156,934	$1,153,905

Note: Amounts shown represent total collections (discount, face, and penalty).

Table RA-5: Collection Rate per Tax Levy 2004-2010 (adjusted to a 9 month collection period)

As shown in Table RA-5 above, the collection rate for "current year" real estate tax collections (2004-2010) per the annual levy averages at 93% and includes collections at discount, face and penalty. This means, on the average, approximately 93% of a given year's tax levy is collected within 9 months from the time it is levied. Therefore, on an average, approximately 7% of the Borough's annual tax levy is turned-over to the Mercer County Tax Claim Bureau as delinquent.

According to the Pennsylvania Department of Community and Economic Development, Standards for Effective Local Government (Financial Management, Revenue Collection, Standard No. 6), the collection rate for current year real estate tax should average between 95% - 98% of the tax levy at face value in a given year.

In the original Recovery Plan and in the adopted Revision (2008), the "current year" real estate tax collection rate was shown at a much lower percentage - as shown below (years 1998-2006). This was/is a result of the manner in which "current year" real estate taxes are collected, transferred, and budgeted in Greenville Borough. The years 2007-2010 have been added here to show the continued trend. Technically, the collection rates as shown in Table RA-6 below, are the true "current year" collection rates in Greenville Borough based on the financial accounting for "current year" real estate tax collections. The poor collection rate is due to the 8 month collection cycle (April through November) that the Borough currently operates within.

Current Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Collection Rate	91%	90%	91%	90%	89%	88%	87%	86%	86%	88%	87%	84%	84%

Table RA-6: Current Year Real Estate Tax Collection Rates 1998-2010 as collected in a given year (8 month collection period)

The projected collections rates for years 2011-2014 for "current year" tax collections are shown in Table RA-7 below.

Projected Collection Rates	2011	2012	2013	2014
	83%	82%	82%	81%

Note: Explanation of projection calculations in located in the Technical Appendices.

Table RA-7: Projected Current Year Real Estate Tax Collection Rates, 2011-2014 as collected in a given year (8 month collection period)

To increase the rate of current year real estate tax collections two actions have been identified. First, the borough shall consider advancing the annual tax collection calendar by one month with discount collections in March and April, face collections in May and June and penalty collections from July through December. Second, as per the Real Estate Tax Collections Report presented to Borough Council in November of 2010 a) Council shall implement a policy that would require the Borough's tax collector to transfer payments made in December to the Borough no later than 12:00 noon on the last business day in December for all real estate taxes collected during the month of December; b) Council shall implement a policy that would require the Treasurer to make deposit of the real estate taxes collected during the month of December prior to the close of business on the last business day in December; and c) Council shall implement a policy that would require the Borough's tax collector compile a Special Reminder Notice through a public listing. In an effort to collect unpaid real estate taxes prior to 12:00 noon on the last business day in December, the public listing of the Special Reminder Notice may be advertised in the newspaper as a

public notice or Council may choose to send a second Reminder Notices to each property owner in December (Recommendation #65).

Real Estate Tax Collections: Discount, Face, and Penalty

In addition to calculating a collection rate for current year tax collections, tax collections may also be analyzed annually based upon when a tax duplicate/bill is paid. Current year real estate taxes may be discounted by 2%, paid at the full rate, or an additional penalty of 10% may be added.

The 2% discount is applied if the real estate tax duplicate/bill is paid in full no later than May 31st; beginning June 1st through July 31st, the face amount on the tax duplicate must be paid; and August 1st through December 31st there is a 10% penalty added.

As shown in Chart RA-6 below for years 2008-2010, on average, the majority (72%) of current year real estate tax (levy) is paid during the 2% discount period; 11% is paid at face, 6% in paid at penalty; and 10% in turned-over to the delinquent tax collector (Mercer County Tax Claim Bureau) as unpaid after January 15th of each year.

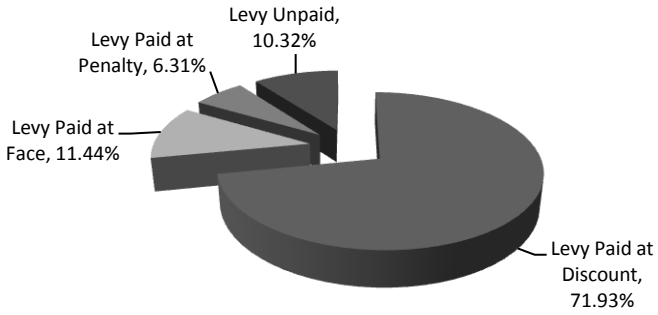


Chart RA-6: Current Year Real Estate Collections 2008-2010

Chart RA-7 below, provides another view of the current year real estate (tax levy) collections for the years 2008-2010. As is depicted, the majority (72%) of the current year tax levy is paid during the discount period (April and May of each year).

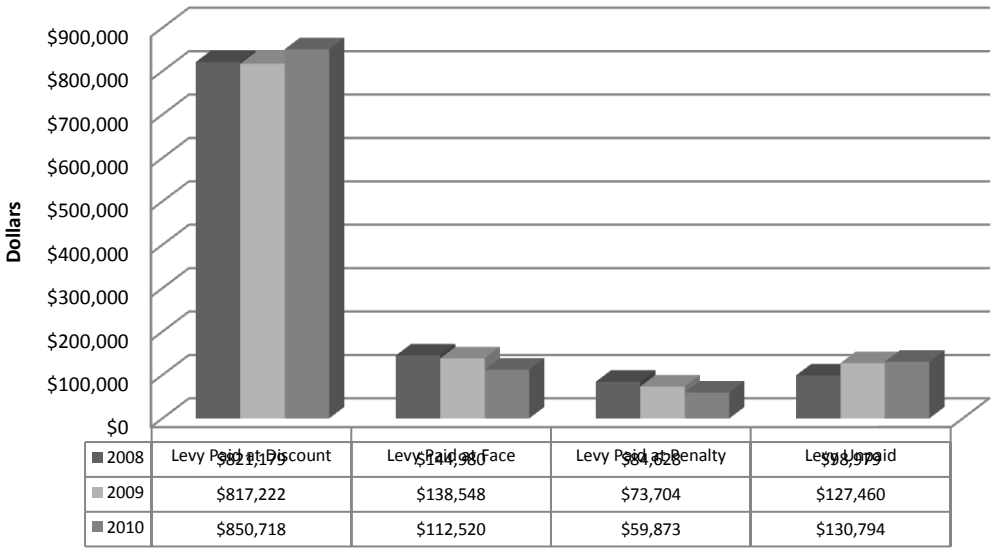
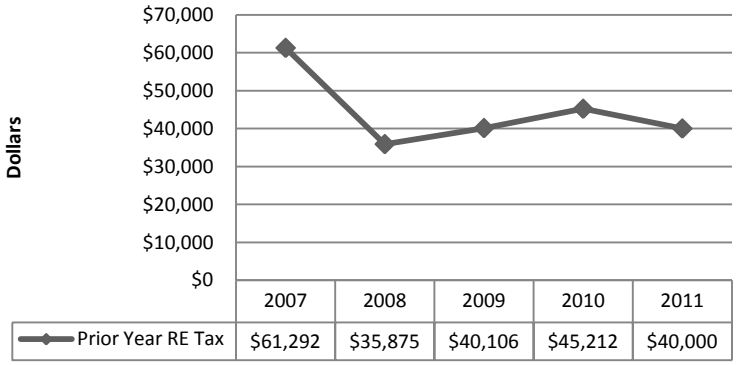


Chart RA-7: Current Year Real Estate Tax (Tax Levy) Collections 2008-2010

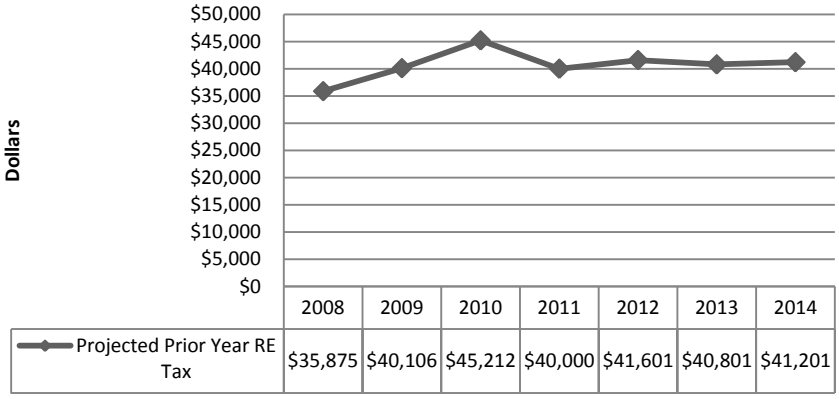
Prior Year Real Estate Tax: Collection Trends

This issue has been the item of much discussion. Prior Year Tax Collections are in actuality, current year taxes collected during the month of December but not deposited and accounted for prior to the end of the calendar year; and may also include tax payments made between January 1 and until such time as when the Real Estate Tax Collector settles the unpaid tax bills with the Mercer County Tax Claim Bureau (no later than January 15th of each year). Historically (1999-2010), the Borough collects an average of $44,000 that is accounted for as "prior year" real estate tax collections.



Graph RA-12: Prior Year Real Estate Tax Collections 2007-2011

As shown in Graph RA-13, the collection trend for prior year real estate tax collections is projected to be stable through 2014 – provided that Council were to not implement any of the recommendations as stated above.



Note: Explanation of projection calculations in located in the Technical Appendices.

Graph RA-13: Projected Prior Year Real Estate Tax Collections, 2008-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Delinquent Real Estate Tax: Collection Process

The delinquent real estate tax collection process since 2003 in Greenville Borough has been administered by Mercer County and a contract collection agency under a complicated set of laws. Delinquent real estate taxes may be collected under the *Local Tax Collection Law* (*Act of May 25, 1945, P.L. 1050, No. 394; 72 P.S. § 5511.1 et seq. and includes all amendments through the act of July 7, 2006, P.L. 374, No. 80)* as followed by the County Tax Claim Bureau follows; or delinquent real estate taxes may be collected through the *Municipal Claims and Tax Lien Act (Act of June 27, 2006, 53 P.S. Chapter 15*) as followed by third party agencies such as Portnoff Law Associates (Portnoff).

In all years except for tax years 2005 and 2006, the Borough's delinquent real estate taxes are collected via the Local Tax Collection Law through the Mercer County Tax Claim Bureau. For the tax years 2005 and 2006, the Borough's delinquent real estate tax collections followed the Municipal Claims and Tax Lien Act (Act of June 27, 2006, 53 P.S. Chapter 15) through Portnoff Law Associates.

The Revised Recovery Plan (2008) recommended that the Borough further study the real estate tax collection process to assess how to improve the collection rate (p.4). In November 2010, the Act 47 Consultants presented a detailed study of real estate tax collections in Greenville Borough that included a detailed explanation of the delinquent tax collection processes and financial data related to annual collections and outstanding balances (see: Real Estate Tax Collections Report, November 2010).

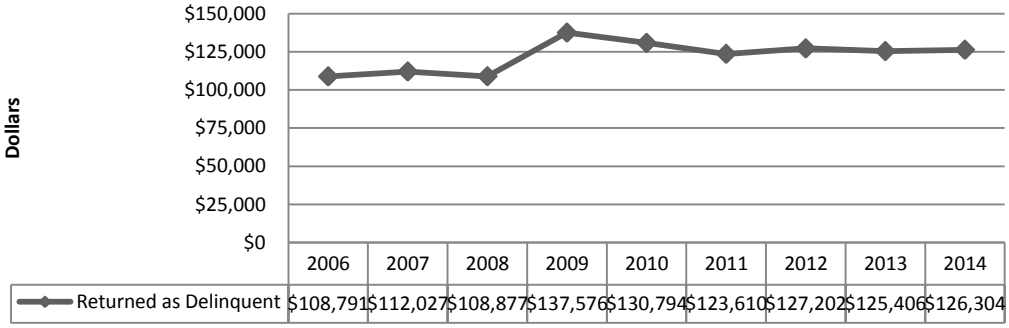
Delinquent Real Estate Tax: Annual Unpaid Trends

Table RA-8 indicates the total municipal real estate taxes levied by year and the amounts (at penalty) that were turned-over to the delinquent real estate tax collector (Portnoff Law Associates 2004-2005, Mercer County Tax Claim Bureau 2006-2010).

Tax Year Levied	Tax Levy at Face	Unpaid at Penalty Total Returned for Delinquent Collections
2006	$1,176,868	$108,791
2007	$1,170,392	$112,027
2008	$1,149,766	$108,877
2009	$1,156,934	$137,576
2010	$1,153,905	$130,794

Table RA-8: Delinquent Real Estate Tax Returned as Unpaid 2006-2010
*Source: Real Estate Tax Collection Report (2010)

The figures from Table RA-8 are shown in the Graph RA-13 below. As shown, the real estate taxes turned-over to the delinquent collector as unpaid is relatively consistent for years 2006-2008 and increases by approximately $20,000 in years 2009 and 2010.



Note: Explanation of projection calculations in located in the Technical Appendices.

Graph RA-13: Delinquent Real Estate Tax Returned as Unpaid, 2006-2010 (actual), 2011-2014 (projected)

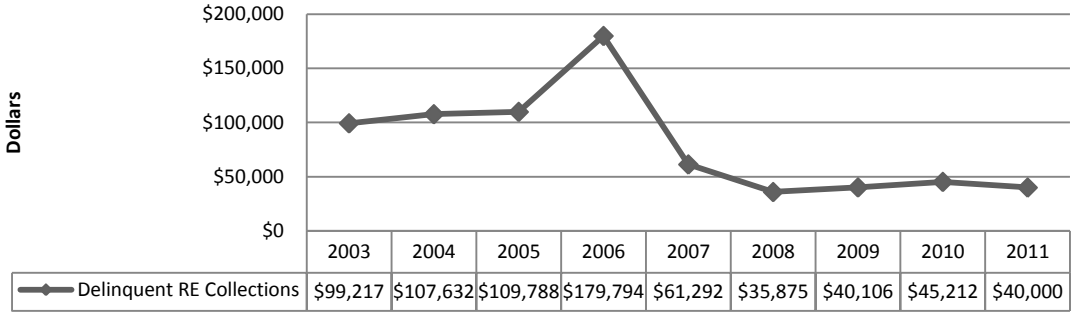
In all years, the amount being turned over to Mercer County Tax Claim Bureau is in excess of $100,000; which equals about 2.75 mills of tax revenues. The stable trend as shown for years 2011-2014 means that the Borough's tax collector will continue to turn-over similar amounts to the Mercer County Tax Claim Bureau as uncollected or unpaid. Additionally, the stable trend in unpaid taxes also indicates that it is unlikely that the Borough's "current year" tax collections will improve.

Delinquent Real Estate Tax: Collection Trends

The Revised Recovery Plan (2008) reported that no delinquent taxes were collected for Greenville Borough for the years 1999-2002. After being designated financially

distressed in 2002, the local officials reinstituted delinquent tax collections in 2003. In 2004, Borough Council became more aggressive in their delinquent tax collections efforts by appointing Portnoff as the delinquent real estate tax collector. Following a PA Supreme Court decision in 2006, the Borough reappointed the Mercer County Tax Claim Bureau as the delinquent real estate tax collector.

Graph RA-13 below, represents the delinquent tax collection efforts beginning in 2003 (the amount shown for 2011 is the budgeted delinquent tax revenues). The trend in collections reflects increased collections in the years 2003-2005 likely due to the absence of delinquent real estate tax collections in 1999-2002. In 2006, the steep increase is a result of concentrated delinquent collections for 1999-2002 and a more aggressive delinquent tax collection process through Portnoff. The trend in 2008-2010 for actual collections has declined and stabilized and is probably a result of a less aggressive delinquent tax collection process by the Mercer County Tax Claim Bureau.



Note: As shown in the table and graph above, the amounts collected do not represent delinquent taxes collected from a specific tax year. For delinquent tax collections, the amounts provided within each year represent delinquent tax collections of record and include multiple tax years. The collection rate of the delinquent tax collector cannot be calculated from the receipt of delinquent tax collections in any given year.

Graph RA-13: Delinquent Real Estate Tax Collections 2003-2010 (actual), 2011 (budgeted)

As shown in Graph RA-14, the delinquent real estate collections are projected to be relatively equal to previous year collections.

Graph RA-14: Delinquent Real Estate Tax Collection Projection, 2003-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Delinquent Real Estate Tax: Collection Rates

To calculate a true collection rate for delinquent real estate tax collections, payment disbursements must be separated by tax year less interest penalties, commissions and other fees/charges. This information is available to the Borough staff on a monthly basis as provided by the County Tax Claim Bureau in the Distribution Report (Distribution Detail by Payee) that is enclosed with the monthly delinquent real estate tax distribution and in the weekly reports submitted to the Borough by Portnoff.

Table RA-9 below provides a comparison of the collection rates between the two delinquent tax collectors.

Collection Rate Comparison					
Delinquent Collector	1st Year	2nd Year	3rd Year	4th Year	5th Year
Portnoff	70.5%	10.5%	4.5%	2.5%	1%
Tax Claim Bureau	32%	40.5%	3%	Portnoff	Portnoff

Table RA-9: A Comparison of Collection Rates for years 1-5

As indicated, Portnoff was a more aggressive collection agency based on the data available at this time; however, the collection process through Portnoff will continue only as long as payments plans are valid and until a tax sale is initiated by the Borough. On the other hand, the County Tax Claim Bureau per the provisions of the *Local Tax Collection Law*, collects delinquent real estate taxes for a period of two years (January of Year 1 through September of Year 2). Properties with a remaining balance and not under a payment plan by September of Year 2 are listed for Tax Sale (Upset Sale).

As discussed in the Real Estate Tax Collection Report (2010), it is important for the Borough's Administrative Staff to have a complete understanding of the delinquent tax collection process, the amounts outstanding in delinquent real estate tax, and the collection rates of the delinquent real estate tax collector. This understanding will aid Borough Council in making knowledgeable budget projections of delinquent real estate tax collection revenues during the annual budgeting process.

To make an accurate projection requires knowledge of how much is outstanding or remaining to be collected and historical data/trends on collection rates. As shown in Table RA-10 below, the Borough has either substantially over-budgeted for delinquent collections or has substantially under-budgeted for delinquent collections. For example, in 2009, the Borough budgeted $37,500 for delinquent real estate collections but actually collected $74,254.47.

Comparison of Amount Collected vs. Amount Budgeted	**2008**	**2009**	**2010 (as of 8/31/2010)**
Total Collected	$54,619.48	$74,254.47	$124,662
Amounts Budgeted	$94,758	$37,500	$86,000

Note: The amounts collected as shown above include interest penalties applied by the delinquent tax collector. These amounts differ from the previous tables where collection rates were calculated.

Table RA-10: A Comparison of Delinquent RE Revenues Collected vs. Delinquent RE Revenues Budgeted

Beginning in 2012, as per the Real Estate Tax Collection Report (2010), the Borough shall track delinquent real estate tax collections to be used as a tool for budgeting purposes; and that the Borough shall use the collection rate trends (from the annual tracking of delinquent tax collections) to project the anticipated delinquent tax revenues for each year based upon the amounts remaining as uncollected at face plus penalty (Recommendation #73).

In addition, the Real Estate Tax Collection Report (2010), provided a listing of 43 properties in Greenville Borough that were considered severely delinquent wherein real estate taxes are owed to the Borough for a period in excess of 3 years to 27 years and tax revenues in excess of $200,000. ***Beginning in 2012, as per the Real Estate Tax Collection Report (2010): Council shall direct staff to research the properties that are severely delinquent; and Council shall begin discussions with the County and School District to petition select properties for judicial sales (Recommendation #74).***

Tax-Exempt Real Estate and Payments In-Lieu-of-Tax (PILOT)

In 2009, the Act 47 Consultants completed a study of the tax-exempt real estate parcels in the Borough. The study revealed that 39% of the Borough's total assessed valuation is on tax-exempt parcels; which consists of 138 parcels under the ownership of 37 property holders. The total assessed valuation for tax-exempt parcels in 2009 was $23,861,600 as shown in Table RA-11 below.

On an annual basis and in July of every year, the Borough's administrative staff sends letters requesting in-lieu-of-tax donations from the various tax-exempt property holders; however, only a handful of the tax-exempt properties actually make a donation in-lieu-of-tax to the Borough for public services provided by the Borough.

Real Estate Property Owner	Assessed Valuation
First National Bank	$600.00
Baptist PA Trustees	$2,100.00
National Fuel Gas	$2,700.00
Penn Power Company	$7,050.00
First Church of Nazarene	$13,200.00
Greenville Regional Hospital	$15,600.00
Greenville Area Historical Society	$18,750.00
Mercer Co. Assoc. for the Retarded	$29,700.00
Community Counseling	$41,400.00
Good Shepard Center	$41,800.00
Greenville Good Samaritan	$44,400.00
St. Clements Episcopal Church	$55,650.00
Bell Telephone Co of PA	$58,500.00
New Apolistic Church of N. America	$65,400.00
Mercer County	$65,000.00
Church of the Nazarene	$69,300.00
Greenville Parking Authority	$80,100.00
Salvation Army	$82,350.00
Bessemer & Lake Erie RR	$86,850.00
Municipal Parking Authority	$91,050.00
American Legion Post 140	$124,950.00
Shenango Valley Cemetery	$142,500.00
Hillside Presbyterian Church	$151,350.00
Calvary Evangelical UP Church	$163,100.00
Greenville Public Library	$246,900.00
Greenville Christian Assembly	$273,400.00

First Baptist Church	$304,250.00
US Postal Service	$368,450.00
Evangelical Lutheran Church	$414,950.00
Greenville Area Econ Dev Corp	$462,350.00
Zion Reformed Church	$463,100.00
Roman Catholic Diocese of Erie	$572,000.00
First United Methodist Church	$717,050.00
First Presbyterian Church	$913,000.00
Greenville Area School District	$2,597,350.00
UPMC Horizon - Greenville Hospital	$2,790,500.00
Thiel College	$11,998,000.00
TOTALS:	**$23,574,700.00**

Table RA-11: 2009 Tax-exempt Property Holders and Assessed Valuations

Based on the 2009 assessed valuation, the study determined that the Borough would collect an additional $751,640 in tax revenues if the tax-exempt properties were taxable; and/or an additional $23,862 if all tax-exempt properties were to make a donation in the amount of 10% of their assessed valuation.

In 2008, the Borough received $37,821 in in-lieu-of-tax contributions from tax-exempt property holders with $35,000 of the $37,821 being from UPMC Horizon (Greenville Hospital). In 2009, contributions totaled $37,452 and in 2010 contributions totaled $40,288 (with UPMC Horizion - Greenville Hospital contributing $35,000 in each year).

In 2009, there were three basic recommendations that came out of the study: 1. The exempt status of some parcels currently classified as exempt is questionable; and it was recommended that the Borough meet with Mercer County Tax Claim to further investigate the established process and criteria for the exempt classification; 2) it was recommended that the Borough link the donation requests to planned capital projects (whether small or large) in an effort to provide the exempt donors with a realization of tangible outcomes – as opposed to the monies being used for general operating purposes; and 3) it was recommended that the administrative donation request procedure be revised - by sending the requests for donations in early January of each year so that monies are received in a manner wherein the monies may be used to complete small capital projects that maybe planned for that year.

Using the 2009 Real Estate Tax Exempt Study as a basis, the borough shall conduct an audit of tax exempt property and expand PILOT (payment in lieu of tax) payments. The audit shall consist of the examination of all exempt classified parcels. In addition, the borough shall annually send requests for donations or meet with organizational leaders in early January and shall link the cash payment and/or in-kind service requests to planned capital projects. The President of Council and Borough Manager shall lead the effort to expand the in lieu of tax payment program. Advice on effective strategies for increasing participation as well as negotiating PILOT payments will be sought from those associated with local governments where an active and effective PILOT programs exists (Recommendation #75).

Earned Income Tax Revenues

The Borough has levied an earned income tax since 1966. Earned Income Tax (EIT) collection is the responsibility of the appointed EIT Tax Collector, the Keystone Collection Group (Keystone). Since the designation of Greenville Borough as a fiscally distressed municipality in 2002, both residents and non-residents have been/are subject to a higher Common Pleas Court authorized EIT tax rate. The rate has fluctuated over the years for both Resident and Non-resident EIT as shown in Table RA-12.

EIT	2003	2004	2005	2006	2007	2008	2009-2011
Resident	1.7%	1.7%	1.7%	1.5%	1.6%	1.6%	1.65%
Non-Resident	1.5%	1.5%	1.5%	1.25%	1.34%	1.34%	1.42%

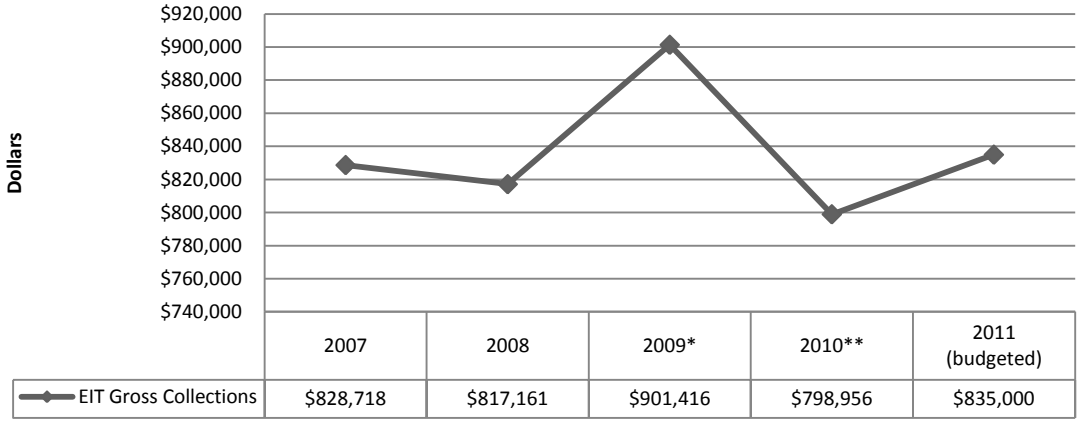
Table RA-12: Earned Income Tax Rates (2003-2011)

The Earned Income Tax (EIT) is the second most important source of local tax revenue in Greenville Borough and accounts for an average of 40% of total annual revenues. The Borough annually budgets for Resident EIT and Non-Resident EIT.

Earned Income Tax Collections	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (Budgeted)
Resident	$625,528	$654,453	$712,131	$636,033	$660,000
Non-Resident	$190,588	$145,430	$205,873	$176,365	$175,000
TOTAL	$828,718	$817,161	$901,416	$812,398	$835,000

Table RA-13: Earned Income Tax Collections (2007-2010 actual) (2011 budgeted)

The bar graph below shows the gross collection trends that include resident and non-resident earned income tax revenues for the years 2007-2010 and 2011 as budgeted.



Graph RA-15: Earned Income Tax Collections 2006-2010 (actual), 2011 (budgeted)

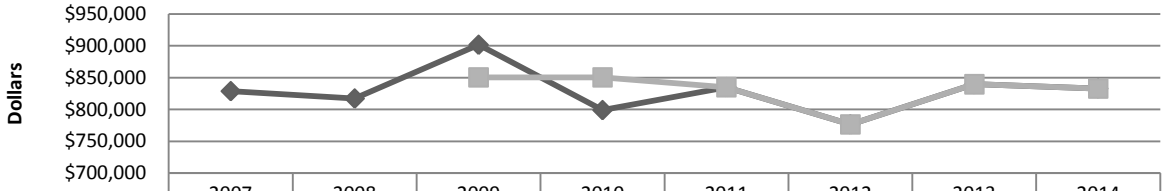
Revenues generated from the resident and non-resident EIT have fluctuated over the last four years. The increase in revenues shown for 2009 and subsequent decline in 2010

reflects a lag in delinquency collections for prior years, adjustments made by the collector in response to claims made on behalf of other taxing bodies, and the effects of the national recession on those who live and are employed in the Borough of Greenville. These circumstances constrain the projection of future resident and non-resident EIT.

For future budgeting and forecasting purposes, it is likely that the 2007 EIT gross collection amount is closest to a normal collection rate with a slight reduction due to the rise in the local and statewide unemployment rates over the past few years. Pennsylvania unemployment rates, as reported on March 1 each year by the US Department of Labor, Bureau of Labor Statistics list the unemployment rates in Pennsylvania as 4.4% in 2007, 5.2% in 2008, 8.0% in 2009, 9.4% in 2010 and 8.0% in 2011. In comparison, unemployment rates in Mercer County have been from .9% to 3% higher than the state's; 5.7% in 2007, 6.1% in 2008, 11.0% in 2009, 11.8% in 2010 and 8.9% in 2011.

PA Act 32 mandates the collection of EIT on a countywide basis beginning in January 2012. The transition to a countywide system administered by Berkheimer Associates in Mercer County is expected to create a lag in collections for the first calendar quarter of 2012.

In order for the distress determination to be rescinded, the resident and non-resident EIT rates must be reduced to the Act 511 limits of 1%. In light of the preceding discussion, but with the understanding that reasonable estimates must be made for EIT revenues over the next few budget years, a projection has been made and is displayed in Graph RA-16 below.



	2007	2008	2009	2010	2011	2012	2013	2014
Actual	$828,718	$817,161	$901,416	$798,956	$835,000	$776,613	$839,556	$832,840
Projected			$850,186	$850,186	$835,000	$776,613	$839,556	$832,840

Graph RA-16: Projected Earned Income Tax Collections

To facilitate the transition to the countywide EIT and LST collection systems, the borough shall work with the contractor appointed by the countywide tax collection committee to facilitate the efficient and effective collection of the resident and non-resident earned income and local services taxes [Recommendation #66].

The borough shall takes steps to reduce its reliance on the court authorized resident earned income by reducing the resident earned income tax rate from 1.65% to 1.25% or less by 2015 [Recommendation #68]. The total revenue associated with this

reduction is estimated to be $375,000. The goal for reduction of the resident EIT rate for 2012 is 1.65% to 1.36% or less. The goal for reduction of the resident EIT rate for 2013 is 1.36% to 1.33% or less. The goal for reduction of the resident EIT rate for 2014 is from 1.33% to 1.25% or less.

The borough shall take steps to reduce its reliance on the 1.42% non-resident earned income tax levy from 1.42% to 1.16% or less by 2015 [Recommendation #69]. The total revenue associated with this reduction is approximately $175,000. The goal for reduction of the non-resident EIT rate for 2012 is 1.42% to 1.23% or less. The goal for reduction of the non-resident EIT rate for 2013 is 1.23% to 1.21% or less. The goal for reduction of the non-resident EIT rate for 2014 is 1.21% to 1.16% or less.

Emergency Services Tax/Local Services Tax Revenues

The Emergency and Municipal Services Tax (EMST) replaced the Occupational Privilege Tax in Greenville Borough on January 1, 2006. In 2008, the state further amended the Local Tax Enabling Act and renamed the EMST the Local Services Tax (LST). The LST is administered as a payroll deduction and is levied against all persons who are employed within the boundaries of the Borough who earn in excess of $12,000 annually. As shown in Table RA-14, there was a significant decline in the Local Services tax revenue in 2008. It is assumed that this decline was due to the changes in the tax law that now limits the Borough's taxing ability to those individuals that earn in excess of $12,000 annually; which in Greenville would most likely exclude students of Thiel College who work on and off-campus. In addition, the tax collection process for the LST changed in 2008 from one annual $52 withholding to payroll based withholding remitted quarterly thus spreading receipts out over the entire year. The LST, like the EIT, is affected by unemployment; although not as greatly affected as the EIT.

	2007 DCED GS-30 (actual)	2008 DCED GS-30 (actual)	2009 DCED GS-30 (actual)	2010 DCED GS-30 (actual)	2011 (budgeted)
Local Services Tax	$143,105	$96,932	$85,142	$83,794	$80,000

Table RA-14: Local Services Tax Revenues (2007-2010 actual) (2011 budgeted)

The EMST originally replaced the Occupational Privilege Tax (OPT) in 2006. Prior to 2006, the Occupational Privilege Tax generated an average of approximately $35,000 in revenues annually in the preceding seven years (1999-2005).

Occup. Priv.	1999	2000	2001	2002	2003	2004	2005
TOTAL	$34,880	$40,010	$47,688	$31,987	$30,570	$29,521	$30.090

Source: Revised Recovery Plan (2008)

Table RA-15: Occupation Privilege Tax 1999-2005

From 2006-2008, the EMST generated about $143,000 annually.

Emergency Services Tax	2006	2007
TOTAL	$143,279	143,105

Source: 2006 – Revised Recovery Plan (2008), 2007 – DCED GS-30 Audit Report

Table RA-16: Emergency Services Tax 2006-2007

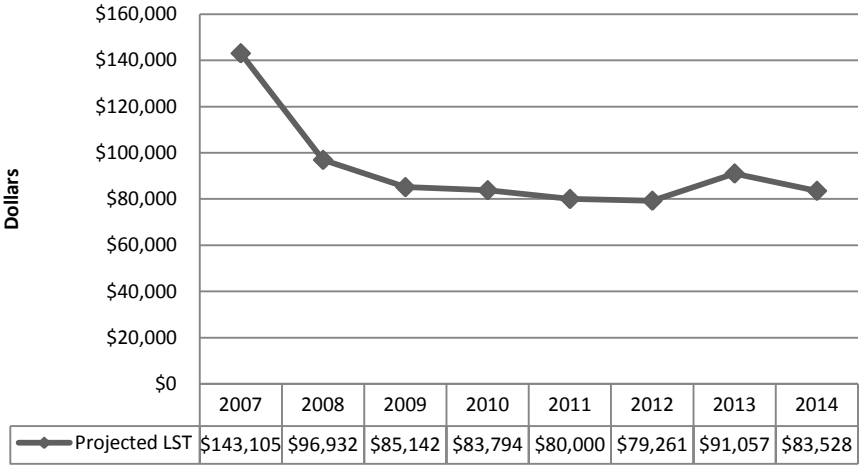
Since 2008, the LST has generated an average of approximately $88,000 annually.

Local Services Tax	2008	2009	2010
TOTAL	$96,932	$85,142	$83,794

Source: 2008-2010 – DCED GS 30 Audit Report

Table RA-17: Local Services Tax 2008-2010

In future years, post 2011, the LST should produce between $83,000-$85,000. However, in 2012, the Borough may experience a first quarter lag in LST collections (due to the transition to a countywide collection process) that may affect the total LST revenue for 2012.



Graph RA-17: Projected Local Services Tax, 2008-2010 (actual), 2011-2014 (projected)

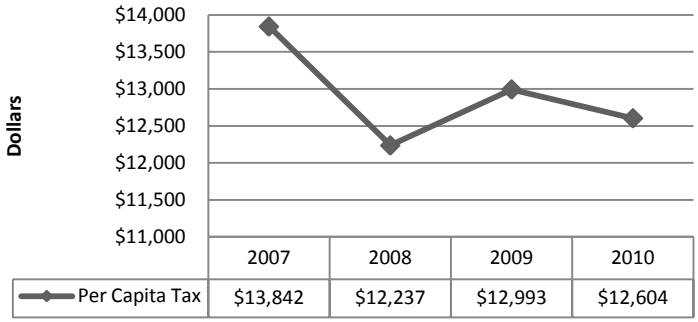
Per Capita Tax Revenues

Greenville currently collects a per capita tax of $5.00 from residents of the Borough who are over the age of 18 and have an income of $5,000 or more. This tax is considered by many as a "nuisance tax" because of the extent of the work required to prepare, mail, and account for the tax revenues as compared to the relatively small yield in revenues received from the tax. As shown in Table RA-18 and Graph RA-18 below, the per capita

trend is a negative trend; which is an indication of population loss as well as aging within the Borough.

	2007 DCED GS-30 (actual)	2008 DCED GS-30 (actual)	2009 DCED GS-30 (actual)	2010 DCED GS-30 (actual)
Per Capita Tax	$13,842	$12,237	$12,993	$12,604

Table RA-18: Per Capita Tax Revenues 2007-2010



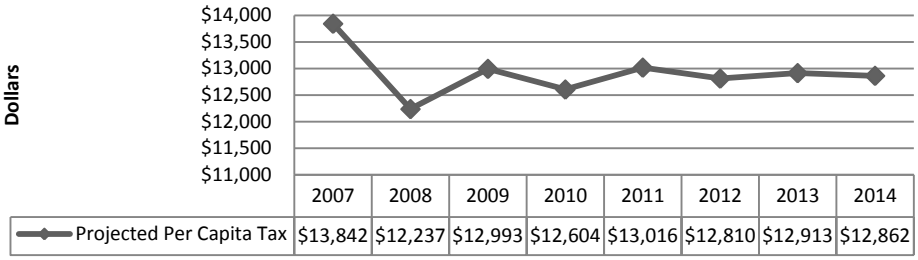
Graph RA-18: Per Capita Tax 2007-2011

Table RA-19 below, provides supplemental information to further examine the per capita tax collection trend for the years 2007-2010 (actual). As is indicated below in the third column, the number of residents employed who are over the age of 18 and who have incomes greater than $5,000 annually is sporadic. Economic factors in 2010 with regard to unemployment rates may explain the loss in employment in 2009 through 2010. However, the reason(s) for the reduction in revenue from 2007 through 2008 is not readily explainable.

Year	Tax Collected	No. of Employed ($5,000+/Age 18+)
2007	$13,842	2,768
2008	$12,237	2,447
2009	$12,993	2,599
2010	$12,604	2,521

Table RA-19: Per Capita Tax Collections by Number of Persons Paying the Tax

Graph RA-19 on the next page, shows the projected trend for per capita collections using the simple moving average method.



Graph RA-19: Per Capita Tax Projection

Mechanical Device Revenues

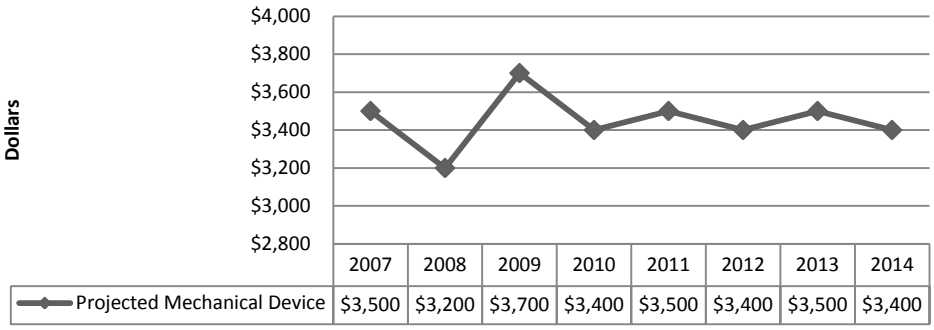
The mechanical device tax is an Act 511 amusement based tax levied against coin-operated mechanical devices. The tax is restricted to machines such as jukeboxes, pinball machines, video games and coin operated pool tables (PA DCED *Taxation Manual*, 2004).

	2007 DCED GS-30 (actual)	2008 DCED GS-30 (actual)	2009 DCED GS-30 (actual)	2010 DCED GS-30 (actual)	2011 (budgeted)
Mechanical Device Tax	$3,500	$3,200	$3,700	$3,400	$3,000

Table RA-20: Mechanical Device Tax Revenues 2007-2010 (actual), 2011 (budgeted)

The Amusement/Mechanical Device Tax was established by Ordinance in the Borough in 1974. Per the provisions of the ordinance, any person or establishment that possesses an amusement/mechanical device is required to obtain an annual license at a cost of $200 per machine and $50 for pool tables.

The revenue projection for the Mechanical Device Tax in Graph RA-20 below, was calculated by using the simple moving average method. The projected trend for years 2011-2014 is relatively stable.



Graph RA-20: Mechanical Device Tax 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Licenses and Permits Revenues

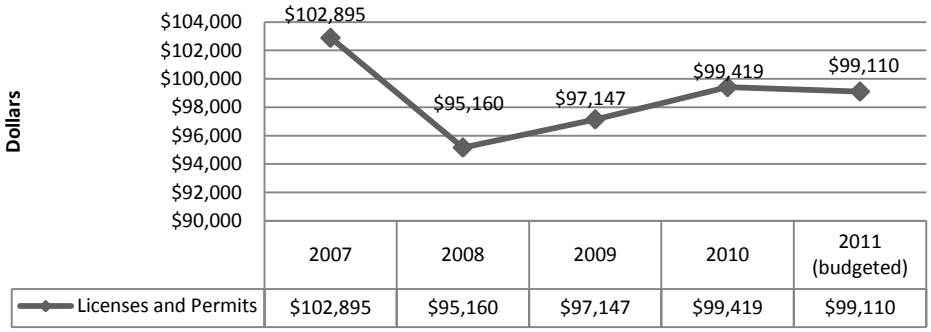
Revenues from Licenses and Permits include: cable franchise fees, permits (solicitation, farmer's market, demolition, and street opening), utility licenses, and solid waste transfer station fees.

	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (Budgeted)
Cable Franchise Fees	$50,781	$48,444	$50,361	$53,103	$53,000
Transfer Station Fees	$41,906	$35,000	$35,000	$35,000	$35,000
Solicitation Permits	$0	$0	$20	$20	$10
Farmer's Market Permits	$460	$470	$700	$700	$650
Demolition Permits	$0	$0	$1,202	$631	$600
Street Opening Permits	$4,005	$5,503	$5,290	$4,853	$4,700
Utility License Fees	$5,743	$5,743	$5,776	$5,743	$5,750
TOTAL	$102,895	$95,160	$97,147	$99,419	$99,110

Note: The financial figures used in this section were obtained from the Year End Treasurer's Reports.

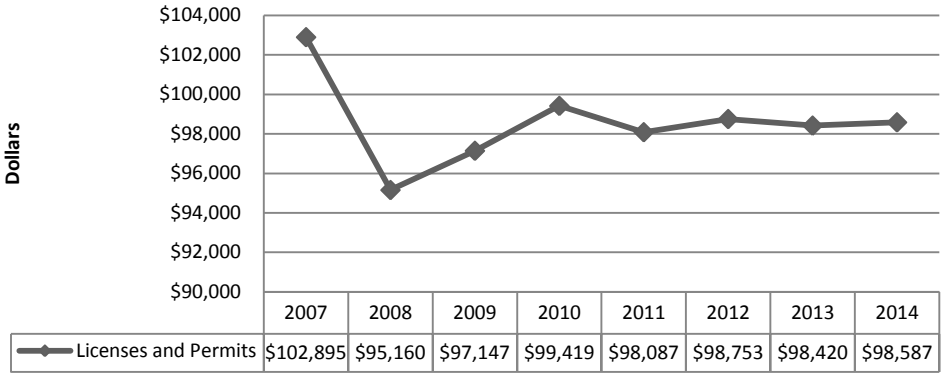
Table RA-21: Licenses and Permits Revenues 2007-2010 (actual), 2011 (budgeted)

The trend, as shown in Graph RA-21 below, is relatively stable except in 2007 where revenues were higher due to an increase in cable franchise fees and transfer station fees. In addition, 2010 also shows an increase in cable franchise fee revenues.



Graph RA-21: Licenses and Permits Revenues Trend 2007-210 (actual), 2011 (budgeted)

The projected trend for licenses and permits as shown in Graph RA-22 indicates a stable trend for years 2011-2014 with an estimate of about $98,500 per year.



Graph RA-22: Licenses and Permits Revenues Projection

Fines and Forfeits Revenues

Revenues from Fines and Forfeits include: vehicle code violations, building code violations, parking tickets, restitutions, District Magistrate fees and penalties, Court of Common Pleas fees and penalties, and state shared fines and penalties. The above named are currently (2010 and 2011) line item accounts used in the AccuFund accounting system. (For years 2007-2009, the accounts were designated differently. For the purposes of this analysis, the District Magistrate's and Court of Common Pleas' fees and penalties have been combined to provide consistency among the budget accounts at the most detailed level possible. Additionally, the municipal code violations account has been added here and is currently found under Charges for Services in the AccuFund accounting system.)

Fines and Forfeits is a shared function responsibility between the state and local levels of government and should not be viewed as solely under the responsibility of the Borough's police and code enforcement officials.

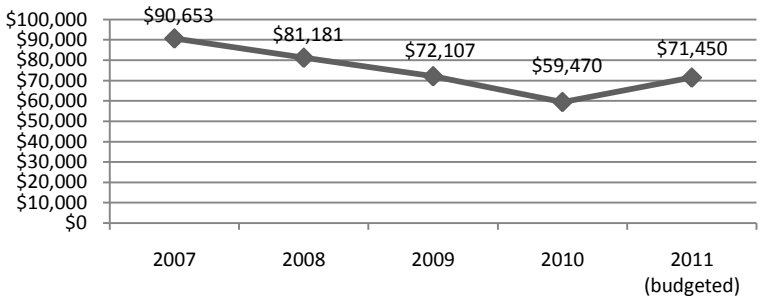
Fines and Forfeits	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
Vehicle Code Violations	$9,402	$13,161	$13,189	$13,685	$14,000
Building Code Violations	$648	$1,247	$100	$0	$250
Parking Tickets	$1,005	$465	$5,525	$4,621	$5,600
Restitutions	$24,780	$25,236	$17,183	$319	$15,500
Dist. Magistrate & Court of Common Pleas	$47,921	$35,005	$30,386	$34,600	$32,500
State Shared Fines and Penalties	$6,897	$6,067	$5,724	$6,195	$3,500
TOTAL	$91,301	$82,428	$72,107	$59,520	$71,550

Note: The financial figures used in this section were obtained from the Year End Treasurer's Reports. .

Table RA-22: Fines and Forfeits Revenues 2007-2010 (actual), 2011 (budgeted)

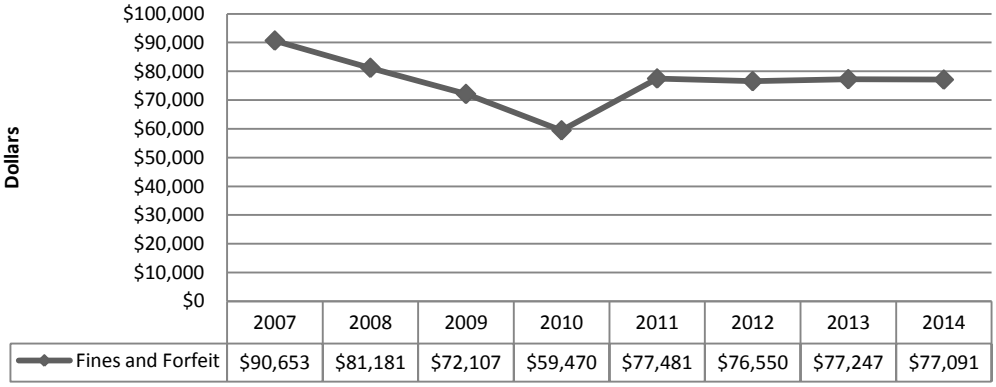
Graph RA-23 below, provides the trend for Fines and Forfeits revenues. As is shown for the years 2007-2010, total revenues from Fines and Forfeits are declining. In looking at the line items amounts in Table RA-22 above, the decline is mainly due to reductions in

restitutions in 2010 and District Magistrate and Court of Common Pleas fines and forfeits. The Fines and Forfeits revenue category as a whole is therefore relatively stable.



Graph RA-23: Fines and Forfeits Revenues Trend 2007-2010 (actual), 2011 (budgeted)

The projected trend for the Fines and Forfeits revenues reveals a relatively stable revenue category when adjustments for 2010 are made (see Graph RA-24).



Graph RA-24: Fines and Forfeits Revenues Projection (2007-2010 actual), (2010 budgeted), (2011-2014 projected)

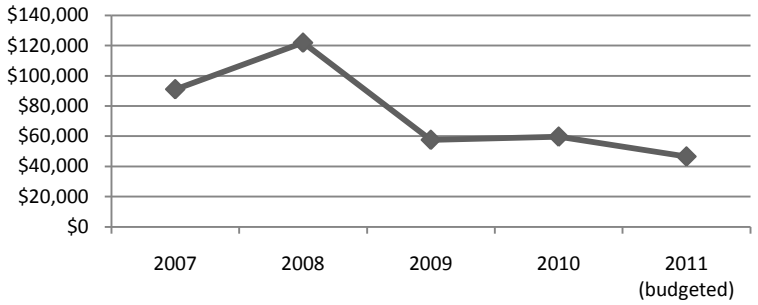
Interest, Rents and Royalties Revenues

Revenues from Interest Rents and Royalties include: general fund interest, Sanitary Sewer Plant rental receipts, Airport rental receipts, jail facility rent receipts (COG), store front rental receipts (Fox's Pizza), and royalties from gas well proceeds.

Interest, Rents, Royalties	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
GF Interest	$28,207	$60,125	$12,742	$3,015	$2,350
Sewer Plant	$8,000	$8,000	$8,000	$8,000	$8,320
Store Front	$7,800	$7,800	$7,800	$8,100	$8,100
Airport	$260	$240	$220	$12,720	$200
Jail Facilities	$1,800	$1,800	$4,500	$3,600	$3,600
Gas Well Proceeds	$45,000	$43,877	$24,322	$24,246	$24,000
TOTAL	$91,067	$121,842	$57,584	$59,681	$46,570

Table RA-23: Interest, Rents and Royalties Revenues 2007-2010 (actual), 2011 (budgeted)

The trend, as shown in Graph RA-25 indicates a decrease in revenues in the years 2009 and 2010 and as those budgeted in 2011. These reductions are a result of lower institutional investment interest rates and a decrease in well drilling proceeds.



Note: The data used in this section were obtained from the Year End Treasurer's Reports.

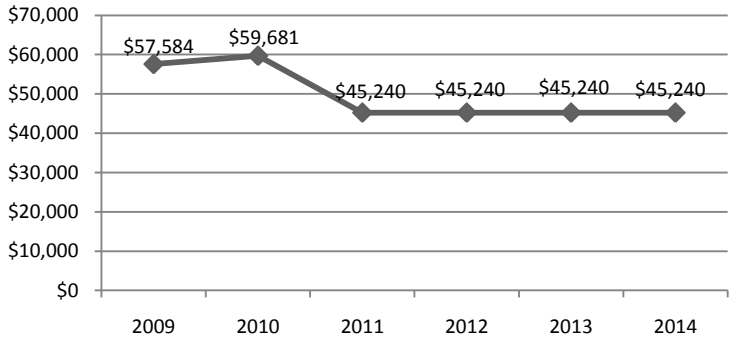
Graph RA-25: Interest, Rents and Royalties Revenues Trend 2007-2010 (actual), 2011 (budgeted)

The Interest, Rents and Royalties revenues are a relatively stable source of income for the Borough. The GF interest income fluctuates from year to year and is dependent upon the average interest rates. In addition, gas well proceeds also fluctuate. The projected revenues trend (below) uses the most current actual income revenues in these two budget accounts. The airport account is an income account reserved and restricted for airport expenditures.

	2009	2010	2011	2012	2013	2014
GF Interest	$12,742	$3,015	$1,000	$1,000	$1,000	$2,500
Sewer Plant House	$8,000	$8,000	$8,320	$8,320	$8,320	$8,320
Store Front (Fox's)	$7,800	$8,100	$8,100	$8,100	$8,100	$8,100
Airport	$220	$12,720	$220	$220	$220	$220
Jail Facilities	$4,500	$3,600	$3,600	$3,600	$3,600	$3,600
Gas Well Proceeds	$24,322	$24,246	$24,000	$24,000	$24,000	$24,000
TOTAL	$57,584	$59,681	$45,240	$45,240	$45,240	$45,240

Table RA-24: Interest, Rents and Royalties Revenues 2009-2010 (actual), 2011 (budgeted) 2012-2014 (projected)

The projection trend was calculated by using the years 2009 and 2010 (actual revenues) as the base years with consideration for increases in the rental rates in 2010 for the borough owned house near the sewage treatment plant and the building located adjacent to the Borough Building (Fox's Pizza).



Graph RA-25: Interest Rents and Royalties Revenues Projection

Intergovernmental Revenues

Intergovernmental Revenues are segregated into three categories: Federal, State, and Local sources.

Federal revenues sources are then further distinguished by their uses: highways and streets, community development, other federal capital and operating grants, national forest monies, other federal shared revenue and entitlements, and federal payments of taxes.

State revenues sources include uses for highways and streets, community development, recycling/Act 101, other state capital and operating grants, Public Utility Realty Tax (PURTA), Motor Vehicle Fuels Tax (Liquid Fuels) and State Road Turn-back monies, alcoholic beverages licenses, Municipal Pension System State aid, Foreign Fire and Insurance Tax distribution, local share assessment/gaming proceeds, other state shared revenues and entitlements, and state payments in lieu of taxes.

Local revenues sources/use categories include highways and streets, other local government unit's capital and operating grants, local government units shared payments for contracted services, and local government and local government units, authorities' payments and payments in lieu of taxes.

Typically, the Borough receives revenues from only a few of the sources within each category, as follows:

Federal	State	Local
Highways and streets	Highways and streets	Local government unit's shared
		payment for contracted services
Community development	Community development	
Federal shared revenues and entitlements	Other state capital and operating grants	

Public Utility Realty Tax
Motor Vehicle Fuels Tax
Alcoholic Beverages Licenses
Municipal Pension System State Aid
Other State Shared Revenues and Entitlements

Table RA-25: Typical Intergovernmental Revenue Sources - Greenville Borough

In constructing a revenue trend for Intergovernmental Revenues, the only revenues that can be used are those that the Borough receives on a consistent and annual basis.

Intergovernmental Revenues: Federal

Table RA-26 below, indicates the total Federal Intergovernmental Revenues for the years 2007-2011. As is shown for year 2011, there are no Federal Intergovernmental Revenues anticipated. A trend analysis is not applicable for this revenue because it is not a consistent, annual revenue. In addition, the figures shown below will be discussed in the Expenditure Analysis as they pertain to Departmental expenditures where the intergovernmental revenue was used (spent).

Federal	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
Airport Grant	$0	$0	$0	$73,344	$0
Highways and Streets	$0	$274,721	$972,965	$25,358	$0

Table RA-26: Federal Intergovernmental Revenues 2007-2010 (actual) 2011 (budgeted)

Since there are no capital projects planned using federal monies, there are no projected revenues for Federal Intergovernmental Revenues.

Federal	2011 (budgeted)	2012	2013	2014
Airport Grant	$0	$0	$0	$0
Highways and Streets	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0

Table RA-27: Federal Intergovernmental Revenues Projection

Intergovernmental Revenues: State

Many of the line items within the state intergovernmental revenues have various meanings. The coded items with the following data table have meanings as follows:

*wage reimbursements – are revenues that are tied to actual wage expenditures;

**one time grants – are revenues received for a specific purpose (ie. Dept. of Justice grant was used in 2010 for the purpose of purchasing police vests, the DCED Grant shown as a revenue in 2010 is designated and reserved for Parks and Recreation uses;

***restricted/reserved – are state shared revenues and/or entitlements or revenue aid that must be used for specific purposes (ie. CDBG grants – a state entitlement program used for community development/redevelopment projects; liquid fuels – state revenue aid for highway and street expenditures; pension funds as shown are the state aid monies received toward the Borough's contribution to the differing pension plans).

Revenue projections for the items highlighted in grey (pensions) are not possible as they rely on the volume of revenue generated and distributed at the state level. The values shown for projection years (2011-2014) are based on years 2007-2010 (actual). The amount of pension liabilities and assets is directly affected by the rates of return on investments managed by the Pennsylvania Municipal Retirement System, the administrator of the borough's three plans. The Borough's minimum municipal obligation is comprised of the annual cost, amortization of any unfunded liability and administrative costs. The state's annual payment to the borough for pensions is based on the number of employees who meet the eligibility requirements for reimbursement. The unit value has been reasonably consistent and has shown modest increases annually. It is approximately $3,200/unit with police and fire employees considered as two units and all other employees one.

The liquid fuels projection is based on years prior (2007-2010). Since the Borough is no longer building additional roads, the liquid fuels road mileage has remained the same; however, liquid fuels allocations will fluctuate based on the state rate for mileage reimbursement to the municipality. The state's rate for mileage reimbursement is a reflection of the annual volume of motor fuels bought within Pennsylvania to which the state's tax is applied and the borough's population and road mileage.

The CDBG Grant allocations are also based on the allocation received in prior years (2007-2010) and tends to fluctuate from year to year. A portion of the Borough's CDBG state entitlement monies are used for administrative purposes (wages). The Borough's CDBG allocation plan (budget) is adopted annually when Borough Council establishes the amounts to be allocated toward specific uses. In addition to administrative purposes (wages), the Borough allocates portions of its CDBG grant to specific redevelopment projects located in low to moderate income areas (census blocks). The CDBG grant allocation, on an annual basis is directly affected by capital projects per Council's annual CDBG plan (budget).

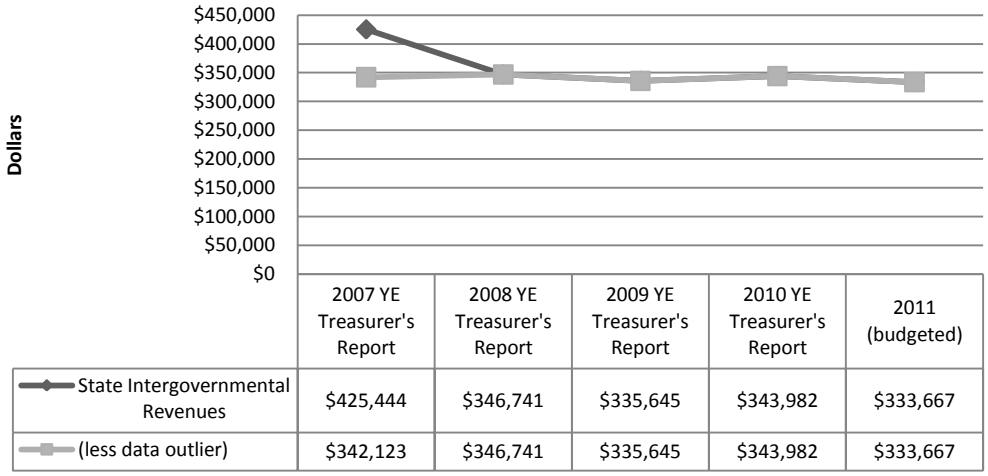
The data table below indicates the total State Intergovernmental Revenues for the years 2007-2010 and 2011 as budgeted. The shaded categories are only those revenues that are consistent, annual revenue categories and are used in the trend analysis.

State	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
Narcotics Task Force	$737	$3,265	$136	$2,436	$2,000
DUI Task Force	$0	$0	$0	$197	$0
Tobacco Comp Checks	$420	$0	$0	$0	$0
DARE Reimbursement	$240	$191	$551	$638	$500
Dept of Justice (Vests)	$0	$0	$0	$4,177	$0
CDBG Grant Reimbursement	$128,591	$38,524	$39,902	$41,472	$46,469
Liquid Fuels	$142,926	$157,434	$151,590	$145,677	$145,571
DCED Grant (Parks)	$0	$0	$0	$50,000	$0
Public Utility Realty	$3,417	$2,945	$2,893	$3,089	$2,800
Alcoholic Beverages Licenses	$2,300	$3,300	$2,650	$2,350	$2,500
Police Pension – Plan Contribution	$46,112	$52,643	$54,124	$81,954	$74,045
Fire Pension – Plan Contribution	$48,806	$54,582	$51,845	$52,047	$47,398
Non-Uniform Pension – Plan Contribution	$41,472	$22,761	$23,950	$2,307	$384
Volunteer Fire Relief	$10,843	$11,096	$8,004	$12,012	$12,000
TOTAL USED FOR TREND ANALYSIS	$425,444	$346,741	$335,645	$343,982	$333,667

Table RA-28: State Intergovernmental Revenues 2007-2010 (actual), 2011 (budgeted)

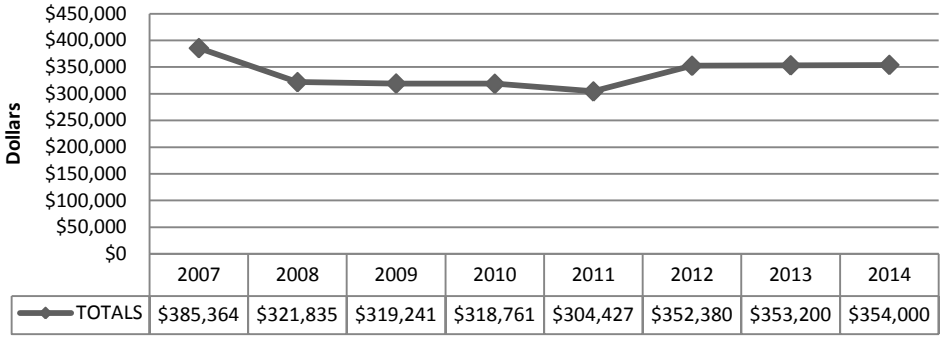
As shown in Table RA-28 above, the CDBG Grant Reimbursement for 2007 in the amount of $128,591 is more than triple the CDBG Grant Reimbursement in subsequent years due to a delay in seeking reimbursement from Mercer County for work performed in 2006. In 2007, and preceding years (not shown), the Borough used a majority of the CDBG entitlement grant on an annual basis to cover the costs of salaries in the Zoning and Building Codes Department. In 2008, and subsequent years, the CDBG annual allocation for salaries in the Zoning and Building Codes Department has decreased.

The line graph below represents the State Intergovernmental Revenues trend for the years 2007-2011. The data outlier in 2007 (CDBG Grant) was mathematically removed (by averaging the total revenues for years 2008-2010 to obtain a truer trend.



Graph RA-26: State Intergovernmental Revenues 2007-2010 (actual), 2011 (budgeted)

A projection trend for State Intergovernmental Revenues is a fluctuating trend that is based on economic circumstances, planned projects, and grant awards. The projection trend as shown below is considered a stable trend but is not necessarily representative of the trend to come for the years 2011-2014 due to a dependence on variables that are not within the borough's control.



Graph RA-27: State Intergovernmental Revenue Trend 2007-2010 (actual), 2011 (budgeted) 2012-2014 (projected)

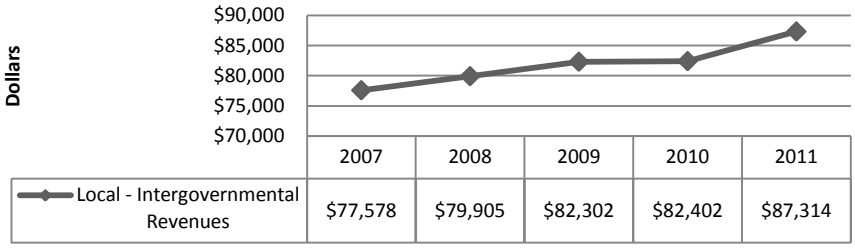
Intergovernmental Revenues: Local

The data table below indicates the total Local Intergovernmental Revenues for the years 2007-2010 and 2011 as budgeted. The shaded categories are only those revenues that are consistent, annual revenue categories and are used in the trend analysis (below the data table).

Local	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
Intergovernmental Contract with the West Salem Police Department	$77,578	$79,905	$82,302	$82,302	$87,314
Public Works contract	$0	$0	$0	$100	$0
TOTAL USED FOR TREND ANALYSIS	$77,578	$79,905	$82,302	$82,302	$87,314

Table RA-29: Local Intergovernmental Revenues 2007-2010 (actual), 2011 (budgeted)

The line graph below represents the Local Intergovernmental Revenues trend for the years 2007-2011. This trend indicates a consistent increase from one year to the next. The intergovernmental contract agreement with the West Salem Police Department is an annually increasing contract based upon annually increasing police wages, salaries and benefits expenditures.



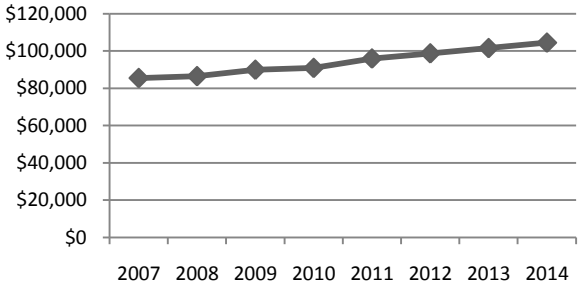
Graph RA-28: Local Intergovernmental Revenues Trend 2007-2010 (actual), 2011 (budgeted)

There are three line item accounts in the Local Intergovernmental Revenues as shown in the data table below. The projections for years 2011-2014 for police contracts and crossing guard reimbursements are based on an agreement with West Salem Township that recognizes a possible annual 3% increase in wages for police services and the agreement with the Greenville Area School District for crossing guard services.

Local Intergovernmental Revenues	2007	2008	2009	2010	2011	2012	2013	2014
Contract w/W. Salem Police	$77,578	$79,905	$82,302	$82,302	$87,314	$89,933	$92,631	$95,410
Public Works Contract(s)	$0	$0	$0	$100	$0	$0	$0	$0
Crossing Guard Reimbursement	$7,939	$6,610	$7,636	$8,509	$8,637	$8,767	$8,899	$9,033
TOTAL	$85,517	$86,515	$89,938	$90,911	$95,951	$98,700	$101,530	$104,443

Table RA-30: Local Intergovernmental Revenues 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

The projected trend as shown in the bar graph below indicates a steady increase in revenues per the likelihood of the increase in associated costs.



Graph RA-29: Local Intergovernmental Revenues Trend

Charges for Services Revenues

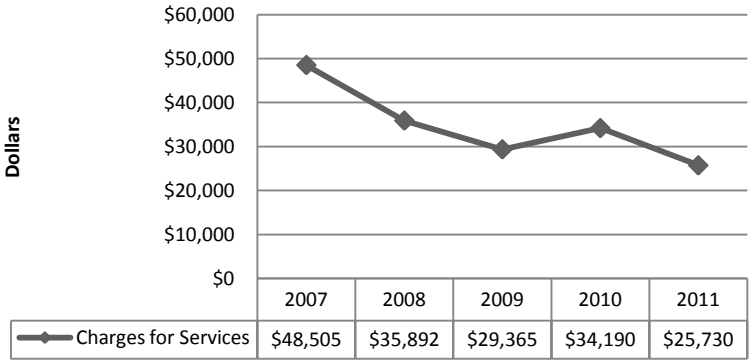
The data table below indicates the total State Intergovernmental Revenues for the years 2007-2010 and 2011 as budgeted. The shaded categories are only those revenues that are consistent, annual revenue categories and are used in the trend analysis (below the data table).

Charges for Services	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report	2011 (budgeted)
Municipal Lien Letters	680*	$640	$600	$780	$625
Bid Specification Receipts	$40	$50	$150	$0	$50
Sign Permits	$1,582	$1,467	$121	$0	$500
Zoning Hearing Fees	$175	$0	$550	$550	$500
Plan Review Fees	$0	$0	$0	$0	$50
Photocopies	$0	$24	$23	$22	$25
Police Reports	$2,127	$1,910	$2,045	$1,980	$1,800
Fire Reports	$10.00	$45	$0	$10	$30
Fire Alarm Permits	$10	$40	$20	$140	$50
Fire Prevention Permits	$125	$100	$40	$30	$50
Fire Service Charges	$1,940	$1,399	$1,305	$1,460	$1,300
Building Permits**/●	$30,488	$16,397	$7,833	$11,217	$5,600
Property Maintenance Fees	$0	$0	$0	$0	$0
Code Appeal Fees	$0	$0	$0	$0	$150
Parking Permits	$8,238	$7,556	$10,775	$10,280	$8,500
Solid Waste Facility Hosting	$3,780	$6,264	$5,903	$7,721	$6,500
Rec. Reimb. - GALSA	$132,654	$133,562	$119,402	$30,384	$0
Rec. Reimb. - YMCA	$0	$0	$0	$3,250	$0
TOTAL	$181,169	$169,454	$148,767	$67,824	$25,730

**Estimated*
***Includes revenues from Demolition Permits*
●Total revenues = Revenues (building permit + demolition permit receipts – third party agency costs) The shaded revenues (GALSA and YMCA reimbursements) are deducted from the trend. The GALSA reimbursement no longer applies and the YMCA reimbursement was a one-time reimbursement for staff wages.

Table RA-31: Charges for Services 2007-2010 (actual) 2011 (budgeted)

The line graph below represents the Charges for Services trend for the years 2007-2009 and 2011 as budgeted. As is shown in the data table above and in the line graph below, the charges for services for building permits are higher compared to subsequent years. In 2007 and during part of 2008, the Borough employed one full-time and one part-time building code official. At that time, all building permit revenues were completely retained by the borough revenues and used to offset the cost of employee wages and benefits. In addition, the building permit revenues are substantially higher in 2007 due to the pre-construction phases of three commercial establishments (Family Video, Rite Aid, and Sheetz) that were completed in 2008 and added to the RE tax roll in 2009.



Graph RA-30: Charges for Services 2007-2010 (actual) 2011 (budgeted)

The Charges for Services trend will fluctuate from year to year as charges for service fees may increase or as (in the case of building permits) development projects (new

construction or improvements) occur. In the year 2010, there is a slight increase over 2009 but is comparable to 2008. This slight increase is probably more a function of administration (fee structures) than development projects; due to the change in the Borough's third party agency for building code inspections. The trend also shows a decrease in 2011. This decrease may also be attributed to administration; wherein it appears as though the governing body budgeted conservatively for 2011 revenues for charges for services.

For the most part, Charges for Services is a fluctuating revenue in that the governing body has some control over. As with any government entity, charges for services are meant to represent the cost of providing a service or doing business with a consumer of a specific service. On the other hand, the total revenues received for such services may also be affected by economic times; such as building permit fees, sign permit fees, and to some extent parking permit fees. Therefore, a projection of revenues for Charges for Services will fluctuate.

In addition, some of the Charges for Services as collected by the Borough may be offset with a direct outside expenditure associated with the service. For example, the Borough charges fees for Zoning and Building Code Appeal Hearings and professional plan reviews. For hearing fees as established, the charges are directly related to the cost of advertising paid to news publications, and legal and stenographic services paid to outside professional. Plan review fees are charged based on the actual cost of a professional plan review.

The following data table shows the actual Charges for Services for the years 2007-2010 and the projected revenues from Charges for Services for the years 2011-2014.

	2007	2008	2009	2010	2011	2012	2013	2014
Municipal Lien Letters	680*	$640	$600	$780	$600	$600	$600	$600
Bid Spec Receipts	$40	$50	$150	$0	$0	$0	$0	$0
Sign Permits	$1,582	$1,467	$121	$0	$100	$100	$100	$100
Zoning Hearing Fees	$175	$0	$550	$550	$550	$550	$550	$550
Plan Review Fees	$0	$0	$0	$0	$0	$0	$0	$0
Photocopies	$0	$24	$23	$22	$25	$25	$25	$25
Police Reports	$2,127	$1,910	$2,045	$1,980	$2,000	$2,000	$2,000	$2,000
Fire Reports	$10	$45	$0	$10	$50	$50	$50	$50
Fire Alarm Permits	$10	$40	$20	$140	$50	$50	$50	$50
Fire Prevention Permits	$125	$100	$40	$30	$50	$50	$50	$50
Fire Service Charges	$1,940	$1,399	$1,305	$1,460	$1,300	$1,300	$1,300	$1,300
Building Permits**/●	$30,488	$16,397	$7,833	$11,217	$9,000	$9,000	$9,000	$9,000
Property Maintenance Fees	$0	$0	$0	$0	$0	$0	$0	$0
Code Appeal Fees	$0	$0	$0	$0	$0	$0	$0	$0
Parking Permits	$8,238	$7,556	$10,775	$10,280	$10,500	$10,500	$10,500	$10,500
Solid Waste Facility Hosting	$3,780	$6,264	$5,903	$7,721	$6,500	$6,500	$6,500	$6,500
TOTAL	$48,515	$35,892	$29,365	$34,190	$30,725	$30,725	$30,725	$30,725

***Includes revenues from Demolition Permits*
●Total revenues = Revenues (building permit + demolition permit receipts – third party agency costs)

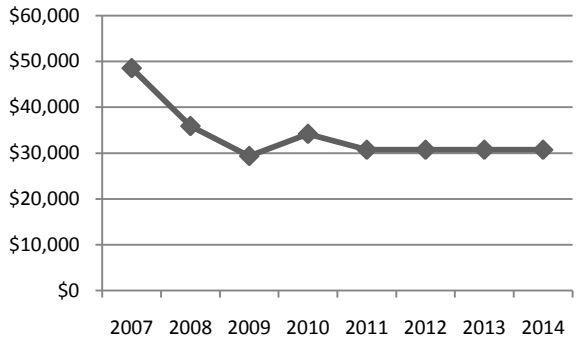
Table RA-32: Charges for Services Revenues Projection 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

According to the Revised Recovery Plan of 2008, it was recommended that the Borough implement a Property Maintenance Inspection Program. Currently, the Code Officer and the Codes Committee of Council is working to that end. Associated with a Property Maintenance Inspection Program are fees or charges for inspection services. In addition,

the Borough's Fire Official conducts approximately 200 commercial inspections annually in regard to fire codes; wherein no fees or charges for services are collected. It is the intention of the Codes Committee of Council to adopt and implement a Property Maintenance Program for non-owner occupied dwellings (including single and multi-family dwellings and campus dormitories) along with a fee schedule for services based on an hourly rate; and to adopt a fee schedule for services provided by the Borough's Fire Official in regard to commercial fire code inspections (to include public buildings – schools) – also based on an hourly rate. Therefore, beginning in 2012, the Charges for Services will contain revenues in the Property Maintenance Inspections line item and the Fire Alarm Permits and Fire Prevention Permit revenues will substantially increase. Since a Fee Schedule has not been developed to date and it is unknown as to the number of residential rental units that will be inspected annually, no projection of fees is being made at this time.

Based upon current and on-going Code Committee discussions, the Borough, in 2011 shall adopt a Property Maintenance Inspection Program for non-owner occupied dwellings and a fee schedule (for inspection services and permits). The non-owner occupied residential Property Maintenance Inspection Program will be an extension of the current Rental Registration requirement wherein all residential landlords are required to register all residential rentals on an annual basis. In addition, in 2011, the Borough shall adopt a Commercial Fire Code Inspection fee schedule as an extension of the fire code inspection services that are currently provided at no cost (Recommendation #67).

The revenue trend from Charges for Services indicates a stable trend but will fluctuate from year to year (not shown) depending on economic circumstances and decisions of the local governing body pertaining to actual fees charged for the service.



Graph RA-31: Charges for Services Revenues Projection

Other Financing Sources

According to the DCED Charts of Accounts, revenues that may be considered "Other Financing Sources" include: sale of general fixed assets, compensation for loss of general fixed assets, interfund operating transfers (when a budgeted allocation – not loans), proceeds from general long-term and short-term debt(s) (when not set-up as a liability), and refunds of prior year expenditures (when not credited to an expenditure).

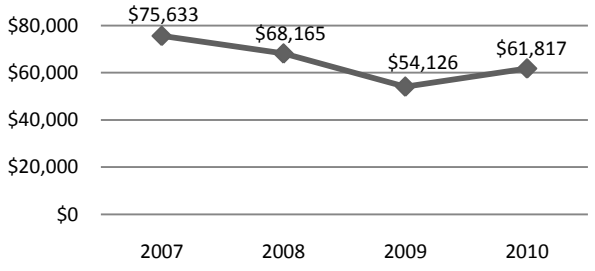
Revenues from Other Financing Sources are difficult to trend and should not be relied upon as a revenue from one year to the next. During each budget process, the governing body must take into consideration, the specific situation for each line item account.

The data table below provides information on some of the sources of revenues that have been included during the years 2007-2011 as other financing sources. In addition to those listed in the data table, the accounting system for the years 2007-2010 also includes numerous transactions from restricted funds such as: fuel revenues received for the airport, liquid fuels funds, capital fund transfers, and sewer fund transfers. These additional line item accounts are not used in the trend analysis because of their restricted activity, instances as one-time revenues, or have been moved to other revenue categories for the purposes of this assessment.

	2007	2008	2009	2010
Refunds	$8,600✓	$12,574✓✓	$135	$3,870
Health Insurance Premiums●	$17,573	$17,218	$14,488	$14,480
Private Contributions⊛	$40,470	$38,373	$36,935	$40,764
Private Contributions - Police	$0	$0	$0	$1,342
Sale of General Fixed Assets	$8,990	$0	$2,568	$1,361
Use of Cash (Fund Balance)	$0	$0	$0	$0
TOTAL	$75,633	$68,165	$54,126	$61,817

Notes:
✓Reimbursement for Streetscape lightpost (PADot truck damages)
✓✓ Includes reimbursement for street pole damages (Fed Ex) and insurance claims for damages to police vehicles.
● Beginning in 2010, Health Insurance Premiums are budgeted within Departmental Revenues. Prior to 2010, Health Insurance Premiums were budgeted as Other Financing Sources revenues. Since it is not possible to obtain the breakdowns by department for the years 2007-2009 for this analysis, all Health Insurance Premiums for the years 2007-2010 shall be shown herein as a revenue source in Other Financial Sources.
⊛ Private Contributions: Revenues received in-lieu-of real estate taxes (hospital $35,000 and other tax exempt properties).

Table RA-33: Other Financing Sources 2007-2010 (actual)



Graph RA-32: Other Financing Sources Trend

The Unclassified Operating Revenues trend will fluctuate from year to year; such as one-time inter-fund operating transfers (not shown) because of the inter-fund transfer's characteristics as data outliers. The line items used for the 2011-2014 projection are the same as were used in the trend analysis above. Lines items with one-time characteristics such as a transfer from capital fund have not been used as part of the trend or projection analysis.

Other Financing Sources	2009	2010	2011	2012	2013	2014
Refunds	$135	$3,870	$2,500	$0	$0	$0
Health Insurance Employee Contributions	$14,488	$14,480	$13,820	$26,667	$44,911	$79,923
Private Contributions	$36,935	$40,764	$38,500	$38,500	$38,500	$38,500
Private Contributions - Police	$0	$1,342	$0	$0	$0	$0
Sale of Gen Fixed Assets	$2,568	$1,361	$2,000	$0	$0	$0
Use of Cash	$0	$0	$75,000	$70,700	$70,700	$0
TOTAL	$54,126	$61,817	$131,820	$135,867	$154,111	$118,423

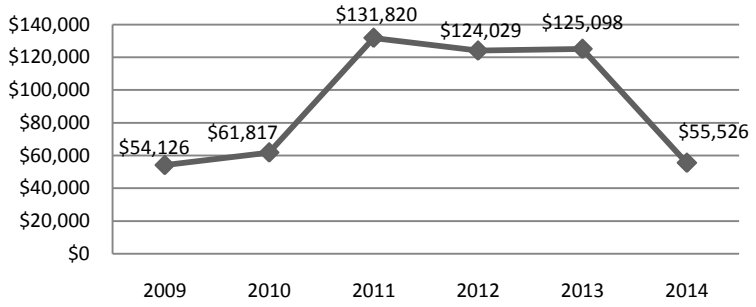
Table RA-34: Other Financing Sources 2009-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Refunds are shown due to the probability of a refund of $2,500 in 2011; however in the years 2012-2014, according to the Borough's Treasurer, no refunds are anticipated in this line account.

The sale of general fixed assets is dependent on the decisions of the governing body from year to year and cannot be appropriately projected without in-depth knowledge of the age and characteristics of current general fixed assets and future purchasing plans.

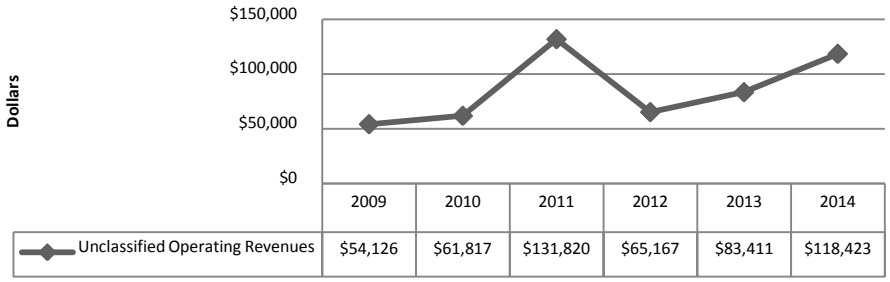
The projection trend (below) for 2011-2103 shows a substantial increase and is due to the budgeted use of cash from the reserve for debt service.

The account for employee contributions to health insurance as shown in the data table above for the years 2012-2014 represents the current 5% contribution rate as established by the governing body and is based upon healthcare cost increases[2] as follows: 7.2% in 2012 and 2013 and 7.1% increase in 2014.



Graph RA-33: Other Financing Sources Projection

Provided the governing body were to increase the employee contribution to 10% in 2012 (a rate equal to the national average for government workers[1]), 15% in 2013, and 25% in 2014; and assuming the cost of healthcare benefits were to increase per the rate projected by Getzen (2007)[2], the revenues projection trend for years 2011-2014 appears as is shown is the table below.



Graph RA-34: Other Financing Sources Projection Trend

[1] Bureau of Labor and Statistics. National Compensation Survey, March 2009.
[2] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

Revenues Assessment Summary

The Borough's assessed valuation is projected to continue to decline through 2014. The revenue generated by the real estate tax levy will also decline at the same rate provided the real estate tax levy remains at 31.5 mills. Therefore, the "current year" real estate tax collections will decline based on the declining tax levy (calculated at a projected collection rate). Earned Income Tax (EIT) collections are projected to decline due to adjustments by Keystone Collections, economic factors (job loss and unemployment) and due to the restructuring of the collection process beginning in 2012. Along with EIT, the Local Services Tax (LST) is projected to decline in the year 2012 due to the restructuring of the collection process; and is projected to recover to a steady rate/trend in the years 2013-2014.

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessment	$37,361	$37,155	$36,501	$36,728	$36,632	$36,609	$36,550	$36,490	$36,431
RE Tax Levy	$1,176,868	$1,025,906	$1,000,795	$966,551	$972,412	$955,759	$946,159	$936,675	$927,242
EIT	$923,537	$828,718	$817,161*	$808,059*	$778,302*	$835,000	$822,111	$831,133	$824,818
LST	NA	$143,105	$96,932	$85,142	$83,794	$84,468	$70,390	$84,300	$118,423

*Actual collections are adjusted to reflect the overpayment in EIT collections to the Borough by Keystone Collections. The adjustments for years 2008-2010 are based on statistical projection methods using 2004-2007 actual EIT collections as base years.

Table: RA-35: Declining Revenues Trends 2006-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

There are three categories of revenues that are projected to increase through 2014: state intergovernmental revenues, local intergovernmental revenues, and unclassified operating revenues. In all three categories where a revenue increase is projected, the revenue increase will be offset by the projected increases in expenditures as follows: a) the state intergovernmental revenues are projected to increase based on pension contributions; b) the local intergovernmental revenues increases are a direct effect of the wage increases (3% in 2011) for contracted police services with West Salem Township per the current labor agreement; and c) the unclassified operating revenues increases are a direct effect of the increases in employee contributions for healthcare costs (10% - 2012, 15% - 2013, and 25% - 2014) and projected annual increases for healthcare.

	2007	2008	2009	2010	2011	2012	2013	2014
State Intergovernmental	$385,364	$321,835	$319,241	$318,761	$304,427	$352,380	$353,200	$354,000
Local Intergovernmental	$85,517	$86,515	$89,938	$90,911	$95,951	$98,700	$101,530	$104,443
Unclassified Operating	$75,633	$68,165	$54,126	$61,817	$131,820	$65,167	$83,411	$72,553

Table RA-36: Increasing Revenues Trends 2007-2010 (actual), 2011 (budgeted), and 2012-2014 (projected)

The data table below provides the Borough's actual revenues during the years 2007-2010. The years 2011-2014 as shown, are the projected revenues in each of the revenues categories. Because tax revenues make-up the majority of the Borough's revenue stream, the tax revenues are shown according to each of the tax revenues budget accounts.

Actual Revenues 2007-2010 and Projected Revenues 2011-2014

	2007	2008	2009	2010	2011	2012	2013	2014
Current Year RE	$1,025,906	$1,000,795	$966,551	$972,412	$955,759	$946,159	$936,675	$927,242
Delinquent RE	$61,292	$35,875	$40,106	$45,212	$39,937	$42,358	$44,778	$43,568
Prior Year RE	$61,292	$35,875	$40,106	$45,212	$40,000	$41,601	$40,801	$41,201
(Gross) Earned Income	$828,718	$817,161	$901,416	$798,956	$835,000	$822,111	$831,133	$824,818
Per Capita	$13,842	$12,237	$12,993	$12,604	$12,927	$12,766	$12,847	$12,807
Local Services	$143,105	$96,932	$85,142	$83,794	$80,000	$79,261	$91,057	$83,528
Mechanical Device	$3,500	$3,200	$3,700	$3,400	$3,500	$3,400	$3,500	$3,400
TOTAL TAXES (SUBTOTAL)	$2,137,655	$2,002,075	$2,050,014	$1,961,590	$1,967,123	$1,947,656	$1,947,944	$1,936,564
Licenses and Permits	$102,895	$95,160	$97,147	$99,419	$98,087	$98,753	$98,420	$98,587
Fines and Forfeits	$90,653	$81,181	$72,107	$59,470	$77,481	$76,550	$77,247	$77,091
Interest, Rents & Royalties	$91,067	$121,842	$57,584	$59,681	$45,240	$45,240	$45,240	$45,240
Fed Intergovernmental	0◊	0◊	0◊	0◊	0	0	0	0
State Intergovernmental	$385,364¤	$321,835¤	$319,241¤	$318,761¤	$304,427¤	$352,380¤	$353,200¤	$354,000¤
Local Intergovernmental	$85,517	$86,515	$89,938	$90,911	$95,951	$98,700	$101,530	$104,443
Charges for Services△	$48,515	$35,892	$29,365	$34,190	$30,725	$30,725	$30,725	$30,725
Unclassified Operating●	$75,633	$68,165	$54,126	$61,817	$131,820	$65,167	$83,411	$118,423
Use of Cash - GF Fund 2010	$0	$0	$0	$0	$75,000	$70,700	$70,700	$0
TOTAL	$3,017,299	$2,812,665	$2,769,522	$2,685,839	$2,825,854	$2,785,871	$2,808,417	$2,765,073

NOTES:

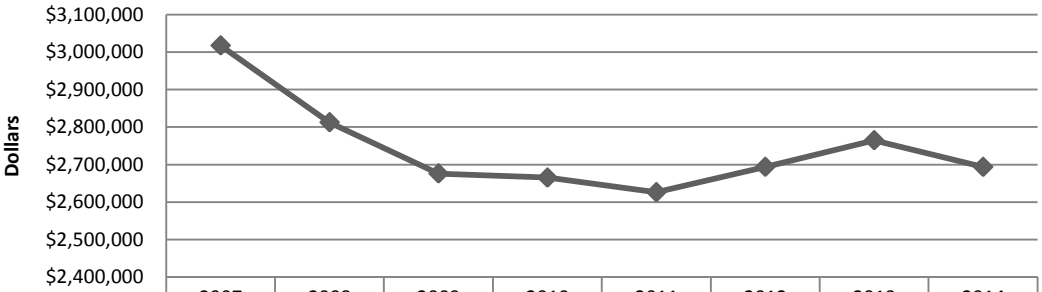
◊Federal Intergovernmental Revenues are removed from this analysis due to the nature of the revenues as capital projects revenues.

¤All state grant revenues related to wages have been removed and have been deducted from wage expenditures in the expenditure analysis. The one-time DCNR grant in the amount of $50,000 has been deducted.

△All Charges for Services related to wages for Crossing Guards have been removed and have been deducted from wage expenditures in the expenditure analysis.

•All interfund transfers (except Highway Aid in the form of Liquid Fuels as moved to State Intergovernmental Fund transfers) have been deducted from revenues and expenditures. For example, any capital interfund transfers for the Streetscape Project are not shown in the revenues total for Unclassified Operating and have also been deducted from the expenditures total for Highways and Streets.

Table RA-37: Revenues Projections 2012-2014 (2007-2010 actual, 2011 budgeted)



	2007	2008	2009	2010	2011	2012	2013	2014
Revenues	$3,017,299	$2,812,665	$2,676,165	$2,665,185	$2,626,306	$2,693,807	$2,764,663	$2,693,689

Graph RA-35: Revenues Projections

The line graph indicates a steep decline in actual revenues in the years 2008 and 2009; and a relatively stable trend from 2009 to 2010. Revenues in 2011 are projected to decline for reasons stated and then increase in 2012 and 2013 before leveling-off in 2014.

III. EXPENDITURE ANALYSIS

Expenditure Analysis

Note: The Expenditure Analysis is based on data for the years 2007-2010 drawn from: 1) Borough Treasurer's Reports, Annual Audited Financial Reports, GS-30 Annual Audit and Financial Statement as submitted to the PA Department of Community and Economic Development, and the borough's 2011 Adopted Budget; and 2) in all years General Fund Revenues are recorded on a cash basis.

Introduction

The Borough of Greenville's expenditures can be represented by three major expenditure categories: Goods and Services, Human Resources, and Debt Service.

As is indicated in Chart EA-1, an average of 63% of annual operating expenditures (2007-2010 - actual; 2011 – budgeted, 2014 – projected) is used for Human Resources, 23% is used to purchase goods and services for current operations, and 14% goes toward debt service.

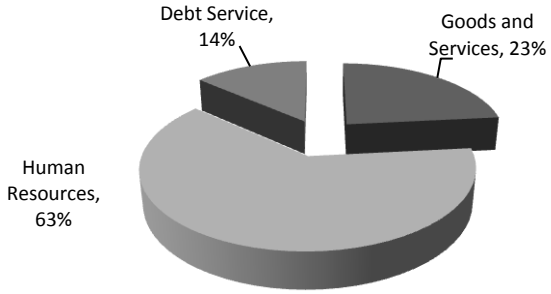


Chart EA-1: Expenditures by Category as a Percent of Total Expenditures

The Borough's average annual expenditures (2007-2010 - actual; 2011 budget, 2014 – projected) may also be examined according to function:

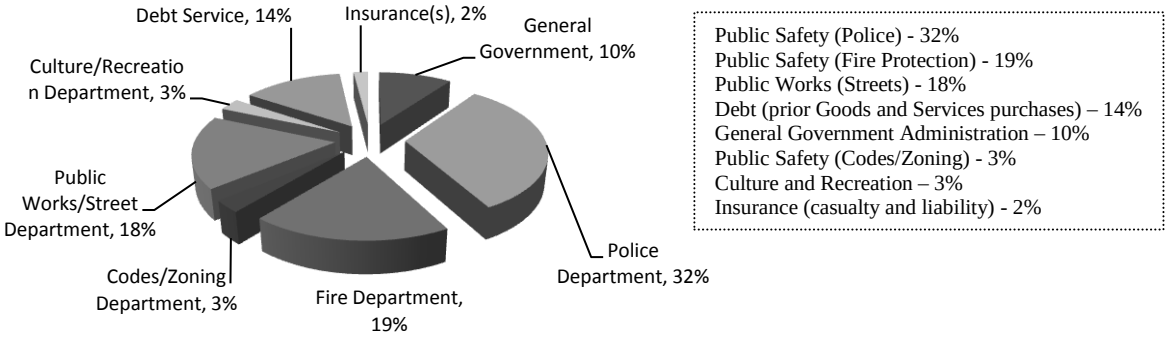


Chart EA-2: Expenditures by Service Related Functions

Finally, the Borough's average annual expenditures (2007-2010 - actual; 2011-2014 – projected) may also be examined according to a combination of Human Resource breakdowns and other uses (Goods and Services, Debt, and Insurance):

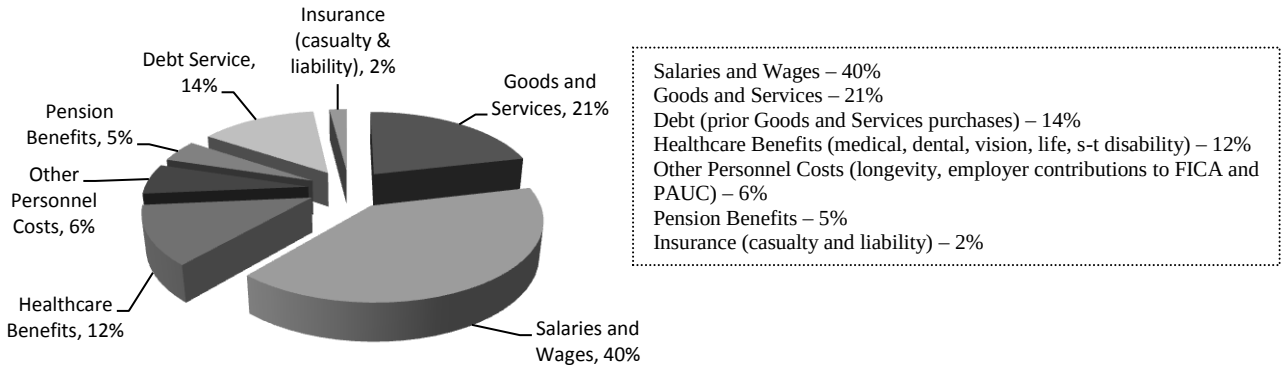


Chart EA-3: Expenditures by Human Resources and Other Uses

For the purposes of this analysis, the expenditures will be examined in accordance with the category breakdowns for Service Related Functions as shown in Chart EA-2. Within each of the Service Related Functions, this analysis goes into depth and examines the Service Related Functions in accordance with the category breakdowns for expenditures by Human Resources and Other Uses as shown in Chart EA-3.

The following expenditure analysis begins with General Government Administration and concludes with Debt Service. Other expenditure categories examined include Public Safety (police, fire, codes/zoning), Public Works (streets), Culture and Recreation, Pension Benefits, and Insurance (casualty and surety).

General Government Administration Expenditures

General government expenditures include all expenses related to the Borough's legislative and executive government to include: Borough Management, Financial Administration, Legal Services, Engineering Services, Taxation, and Borough Building costs.

The Borough's general operating budget partially funds several administrative employees; the Borough Manager (20 hours per week), the Manager's Secretary (33.6 hours per week), and the Borough Treasurer (24 hours per week).

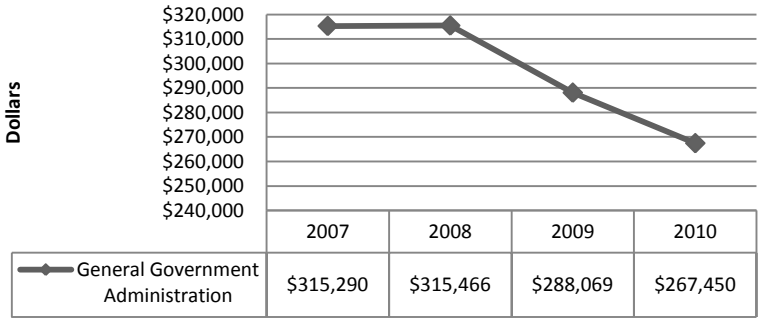
Legal services are provided by the appointed municipal solicitor and engineering services are provided by the appointed municipal engineer. The Tax Collection Office is located off-site is under the responsibility of the elected tax collector who collects "current year" real estate taxes and per capita taxes.

As shown in Table GG-1 and Graph GG-1 below, the expenditures for General Government Administration Services have declined since 2008.

GENERAL GOVERNMENT ADMINISTRATION EXPENDITURES	2007 YE Treasurer's Report	2008 YE Treasurer's Report	2009 YE Treasurer's Report	2010 YE Treasurer's Report
Executive Government	$11,200	$12,700	$12,700	$11,872
Government Administration	$162,683	$169,322	$158,029	$122,793
Tax Collection	$49,616	$41,698	$41,839	$33,782
Professional Services (law/engineering)	$16,030	$13,750	$15,000	$36,144
Buildings & Plant	$22,044	$24,014	$24,082	$28,567
Employee Benefits*	$53,717	$53,982	$36,419	$34,292
TOTAL	$315,290	$315,466	$288,069	$267,450

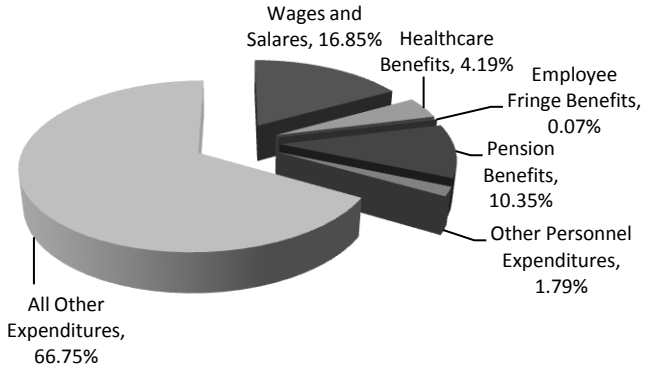
*Note: Employee Benefits includes health insurance, health insurance reimbursements, benefit buy-outs, fringe benefits, and pension[1] benefits.
[1]Pension benefits include the total premium amount for all non-uniform employees.

Table GG-1: General Government Administration Expenditures 2007-2010



Graph GG-1: General Government Administration Expenditures 2007-2010

As shown in Chart GG-1 and Table GG-2, approximately 67% of costs associated with General Government expenditures are for costs of goods and the remaining 34% are for costs of providing services – costs associated with personnel.



Note: See notes provided for Table GG-3.

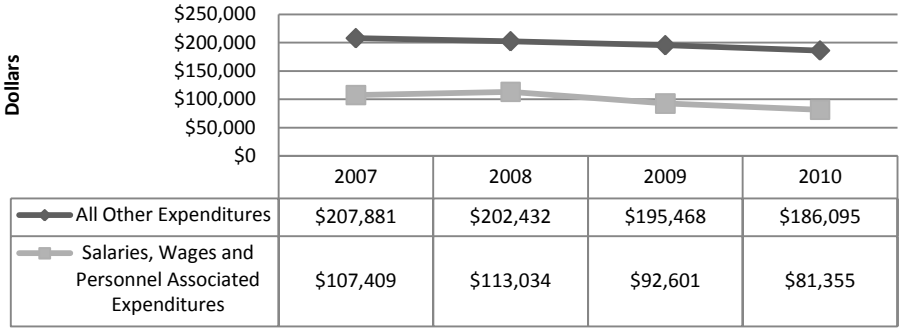
Chart GG-1: Expenditure Breakdowns within General Government Administration 2007-2010

General Government Administration	2007	2008	2009	2010
Wages and Salaries	$49,033	$53,231	$51,076	$46,490
Healthcare Benefit Expenditures	$10,880	$15,732	$11,930	$11,215
Employee Fringe Benefit Expenditures	$100	$200	$300	$200
Pension Benefit Expenditures	$42,360	$37,555	$23,950	$18,900
Other Personnel Expenditures	$5,036	$6,316	$5,345	$4,550
All Other Expenditures	$207,881	$202,432	$195,468	$186,095
TOTALS	$315,290	$315,466	$288,069	$267,450

Notes: Health Care Benefits include: medical, dental, vision, health reimbursement, health care buy-out, and short-term disability; Other Personnel Expenditures include: longevity, life insurance, uniforms; employer's contributions to medicare, social security, and unemployment compensation. The figures as shown above, in "Other Personnel Expenditures, does not include worker's compensation expenditures. Data for worker's compensation expenditures is not available by Department for all years examined.

Table GG-2: General Government Administration Expenditure

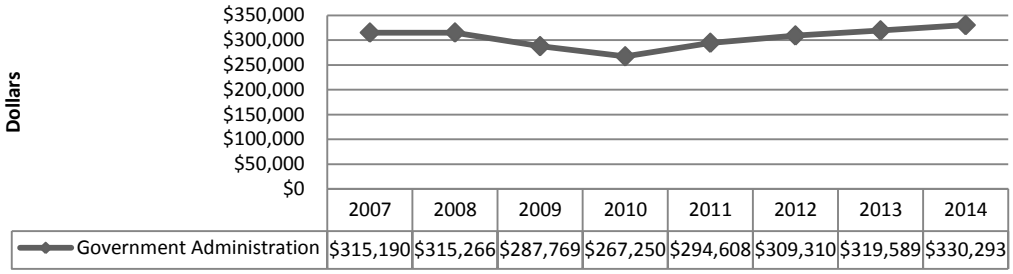
The trend for General Government expenditures associated with goods and services is shown in Graph GG-2. In 2008, the costs for providing services (personnel) increased due to an increase in healthcare benefits costs. In 2009 and 2010, wages and salaries, healthcare benefits, and pension contributions decreased due to changes in staffing.



Note: Salaries, Wages and Personnel Associated Expenditures as shown do not include Worker's Compensation expenses. The data for Worker's Compensation is not available by department for all years examined.

Graph GG-2: General Government Expenditure Trends 2007-2010

Expenditures for General Government - Administration are expected to begin to increase in 2011 and will continue to increase through 2014 as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph GG-3: General Government Administration Expenditure 2007-2010 (actual), 2011 (budgeted) 2012-2014 (projected)

Table GG-3 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Pension benefits and longevity are shown at 2011 status quo due to the inability to make projections for pension benefits and the lack of specific information in regard to planned increases in longevity.

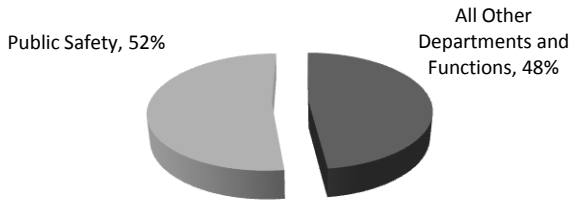
[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

YE Treasurer's Reports (actual)					Projected			
General Government Administration	2007	2008	2009	2010	2011	2012	2013	2014
Salaries and Wages	$49,033	$53,231	$51,076	$46,490	$61,136	$67,245	$69,134	$71,080
Healthcare Benefit Expenditures	$10,880	$15,732	$11,930	$11,215	$16,363	$20,341	$24,606	$29,153
Pension Benefit Expenditures	$42,360	$37,555	$23,950	$18,900	$18,900	$18,900	$18,900	$18,900
Other Personnel Expenditures	$5,036	$6,316	$5,345	$4,550	$8,392	$9,211	$9,464	$9,725
Goods and Services	$207,881	$202,432	$195,468	$186,095	$189,817	$193,613	$197,485	$201,435
TOTALS	$315,190	$315,266	$287,769	$267,250	$294,608	$309,310	$319,589	$330,293

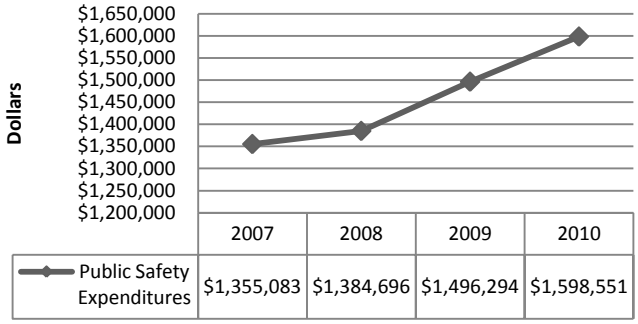
Table GG-3: General Government Administration Expenditure Projection Data

Public Safety Expenditures

Public Safety expenditures include all expenses related to the Borough's Police Department, Fire Department, Other Public Safety services such as School Crossing Guards, and the Codes/Planning/Zoning (building, zoning, and municipal ordinances) Department; and is the largest servicing function at an average of 52% of total annual expenditures borough-wide.

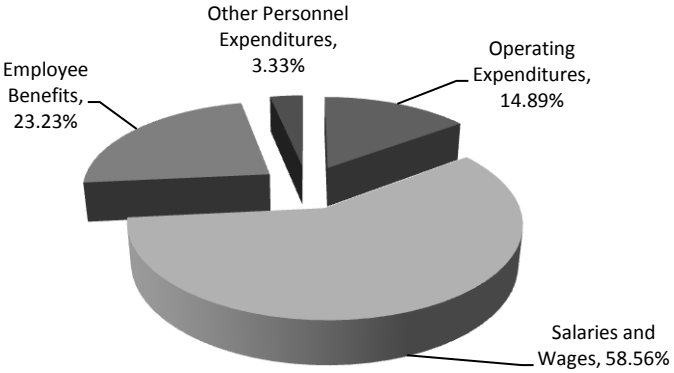


Graph PS-1 below, shows the expenditures trend for Public Safety services. Since 2007, public safety services costs have steadily increased.



Graph PS-1: Public Safety Expenditures 2007-2010

As shown in Chart PS-1 and Table PS-1 below, approximately 15% of Public Safety services expenditures is for operating (goods and services) and 85% is used for costs associated with providing services (personnel costs).



Note: Data was obtained from the Year-End Treasurer's Reports for the years 2007-2010.

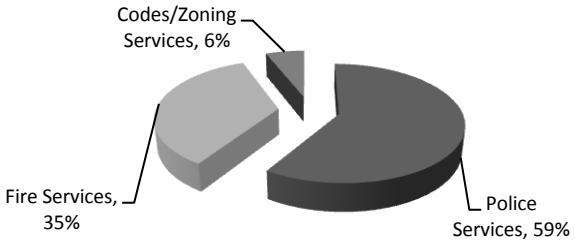
Chart PS-1: Public Safety Expenditure Uses 2007-2010

Public Safety Expenditures	2007	2008	2009	2010
Operating Expenditures	$171,490	$153,841	$213,506	$329,757
Salaries and Wages	$842,205	$848,833	$890,330	$835,443
Employee Benefits	$305,607	$330,891	$338,530	$380,119
Other Personnel Expenditures	$35,781	$51,131	$53,928	$53,232
Total	$1,355,083	$1,384,696	$1,496,294	$1,598,551

Table PS-1: Public Safety Expenditures 2007-2010

Services within Public Safety are divided among three service departments (Police, Fire, and Codes/Zoning). The Police Department is the largest of the three departments based

upon staffing hours, number of personnel, and dollar expenditures at an annual average of 59% of Public Safety expenditures .



The expenditure trends for each department that provides public safety services will be discussed separately in the following sections.

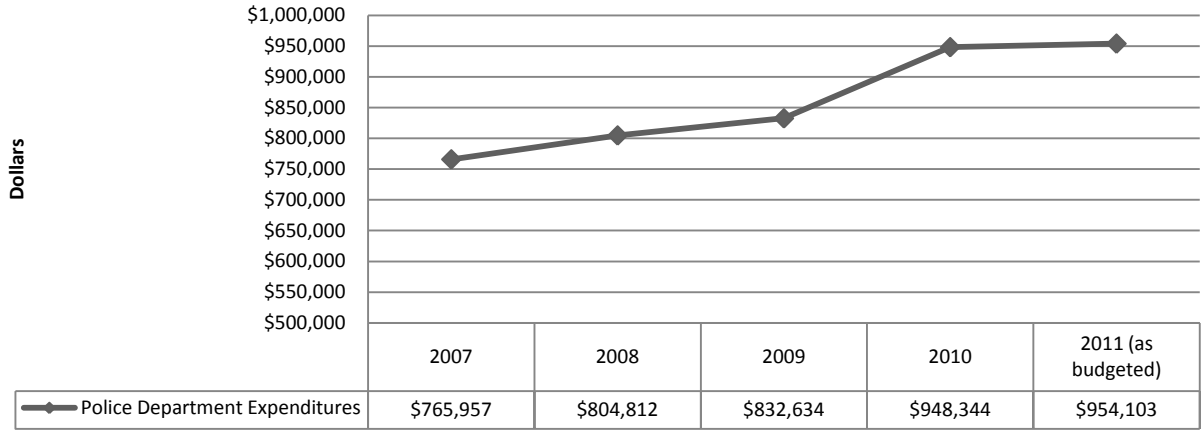
Police Department

The Borough's Police Department is the largest public safety department and currently employs one full-time department head (chief), two full-time sergeants, five full-time patrolmen, four part-time patrolmen, and two part-time school crossing-guards and a part-time parking meter attendant. Table PD-1 below provides an historical look at the employment characteristics of the Police Department for years 2005-2011.

POLICE PERSONNEL	2005	2006	2007	2008	2009	2010	2011
Chief	1	1	1	1	1	1	1
Sergeant	2	2	2	2	2	2	2
Patrol FT	6	6	4	5	5	5	5
Patrol PT	7	5	4	6	6	4	4
School Crossing Guard PT	2	2	2	2	2	2	2
Parking Meter Attendant PT	0	0	0	0	1	1	1
Total	18	16	13	16	17	15	15

Table PD-1: Police Personnel 2009-2011

Although, the number in police personnel has incrementally declined since 2005, the costs associated with providing police services in Greenville Borough has continued to increase (as shown in Graph PD-1 below). In 2010, there was a dramatic increase in expenditures (nearly $116,000); which will be explained in greater detail on the following pages.



Graph PD-1: Police Department Expenditures 2007-2010

Table PD-2 below, provides a breakdown of the expenditure uses in the Police Department for the years 2007-2010 and 2011 (as budgeted). Expenditures trends are shown for each of the uses on the following page.

Police	2007	2008	2009	2010	2011
Goods and Services	$93,633	$89,429	$78,515	$153,132	$98,161
Salaries and Wages	$498,959	$518,249	$546,861	$554,737	$592,126
Healthcare Benefits	$112,178	$130,506	$131,706	$147,721	$162,348
Pension Benefits	$46,112	$46,335	$54,124	$67,326	$74,045
Other Personnel Expenditures	$15,075	$20,293	$21,428	$25,428	$27,423
Total	$765,957	$804,812	$832,634	$948,344	$954,103

Table PD-2: Police Department Expenditure Uses 2007-2010

Based on the data contained in Table PD-2 above, expenditures for goods and services decreased in 2008 (as compared to 2007), and decreased again in 2009. This decrease is the only decrease to be found in all years and in all categories (uses).

Salaries and Wages, Healthcare Benefits, Pension Benefit, and Other Personnel costs have increased in all years.

Expenditures increases in 2008 as compared to expenditures in 2007: (see Table PD-2) In 2008, there was an approximate $39,000 increase in expenditures as compared to expenditures in 2007. Expenditures for goods and services decreased and expenditures for salaries and wages, healthcare cost, other personnel associated costs, and pension benefits increased.

Expenditure increases in 2009 as compared to expenditures in 2008 (see Table PD-2): In 2009, there was an approximate $28,000 increase in expenditures as compared to expenditures in 2008. Again, expenditures for goods and services decreased and expenditures for salaries and wages, healthcare costs, other personnel associated costs, and pension benefits increased.

Expenditure increases in 2010 as compared to 2009 (see Table PD-2): In 2010, there was a dramatic increase in police department expenditures when compared to 2009. Increases in salaries and wages, healthcare costs, pension benefits, and other personnel associated costs accounted for $42,000 of the approximate $116,000 increase from 2009 to 2010. The remaining $74,000 expenditures increase in 2010 occurred across various line items. The major deviations are listed below:

Line Item	Amount of Increase in 2010 over and above 2009 Expense(s)
Vehicle fuel (gasoline)	$6,000
Lock-up Fees	$7,500
Professional Services	$3,600
Computer Support Services	$1,400
Professional Police Insurance*	$8,900
Vehicle Repairs	$4,200
Capital Outlay	$27,700
	$59,300

**Note: Professional Police Insurance was in previous years included within the Insurance, Casualty and Surety Expenditures Category. With the implementation of the new accounting system in 2010, Professional Police Insurance is now part of the Police Department budget.*

A snapshot of the average annual expenditures for the years 2007-2010 and 2011 (as budgeted) for Police Department expenditures is shown in Chart PD-1 below. As indicated, the majority of expenditures (88%) in the Police Department are for personnel associated costs and the remaining expenditures (12%) are used for operations and supplies (Goods and Services).

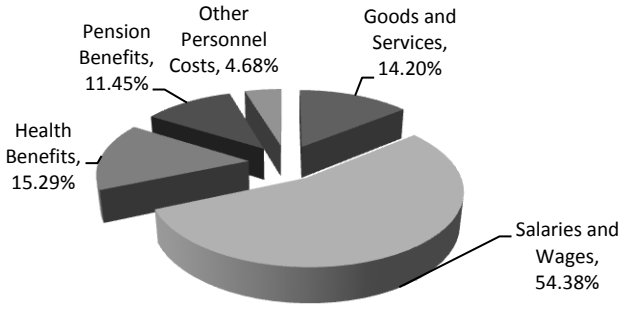
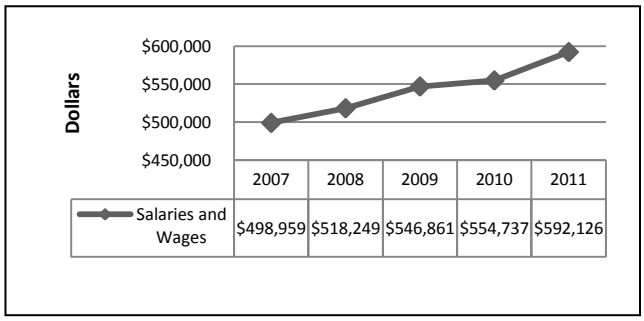


Chart PD-1: Police Department Expenditures 2007-2010 and 2011 (as budgeted)

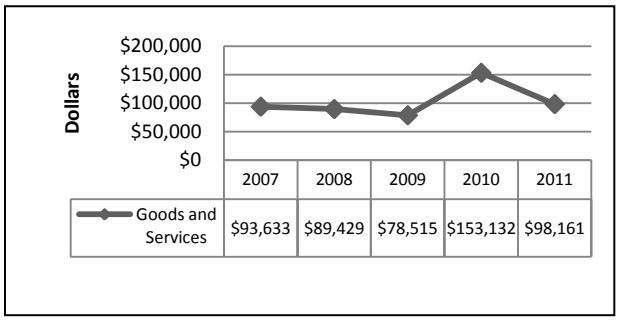
Salaries and Wages as shown in Graph PD-2 include full-time and part-time personnel. Department wide, salaries and wages have increased 18.67% since 2007 and have increased at an average annual rate of 4.39%.

The costs associated with goods and services as shown in Graph PD-3 have increased 4.84% since 2007 and have increased at an average annual rate of 10.61%*

**Note: The one time capital outlay of $27,700 for a police car in 2010 was removed from the calculation but is shown in the expenditure trend in Graph PD-3.*

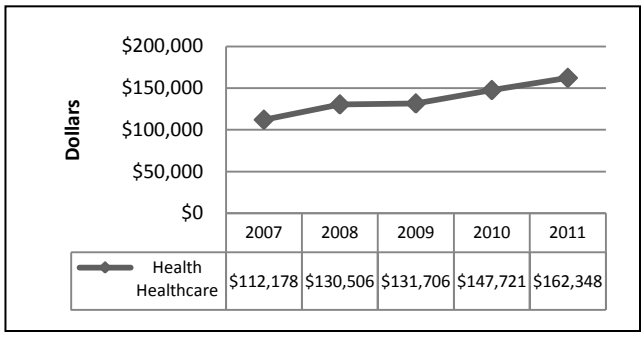


Graph PD-2: PD Salaries and Wages Expenditure Trend

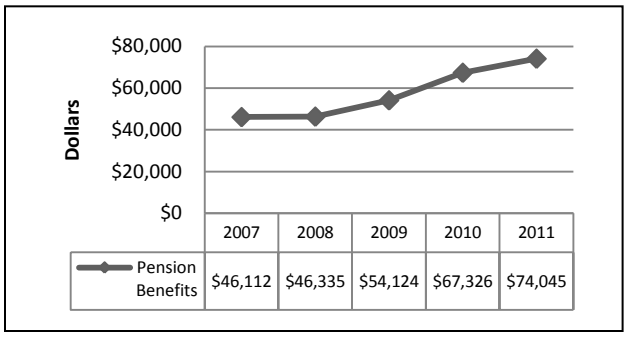


Graph PD-3: PD Goods & Services Expenditure Trend

The costs associated with healthcare as shown in Graph PD-4 have increased 44.72% since 2007 and have increased at an average annual rate of 9.83%.

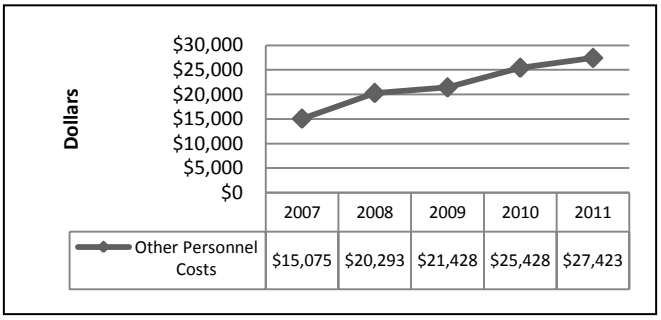


Graph PD-4: PD Healthcare Expenditure Trend



Graph PD-5: PD Pension Benefits Expenditure Trend

The costs associated with pension benefits as shown in Graph PD-5 have increased 60.58% since 2007 and have increased at an average annual rate of 12.92%.



Graph PD-6: PD Other Personnel Costs Expenditure Trend

The costs associated with other personnel costs as shown in Graph PD-6 have increased 81.91% since 2007 and have increased at an average annual rate of 16.68%.

In looking at salaries/wages* paid full-time police personnel (chief, sergeants, and full-time patrolmen), there was a decrease in base wages in 2008 and increases in 2009 and

2010 (Graph PS-8). The salaries/wages categories for full-time police personnel as budgeted are expected to increase again by 2011 end.

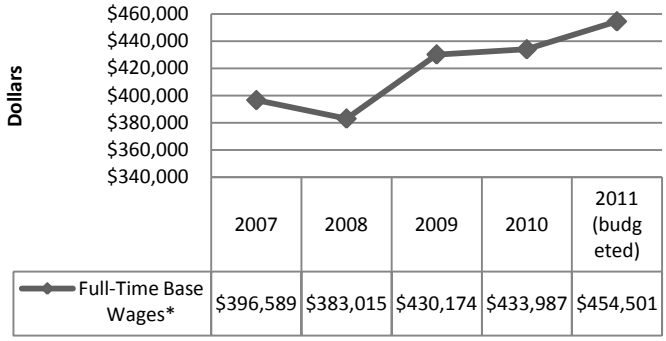
In 2008, the decrease in salaries/wages was due to specifically to a decrease in Sergeant's wages associated with a retirement.

In 2009, the salaries/wages for full-time police personnel increased by more than $47,000; which was due to the employment of an additional full-time officer (see Table PD-3 below).

In 2010 there was a small increase of approximately $4,000. The small increase of nearly $4,000 in salaries/wages in 2010 was due to various increases and decreases among the various salary/wage categories.

In 2011 there is an expected increase of over $20,000 due to budgeted increases in every pay category except overtime where a very small decrease of $640 is budgeted.

**Note: Salaries/wages include: salary/hour pay, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time and court pay; and do not include health benefits, pension benefits, and fringe benefits.*



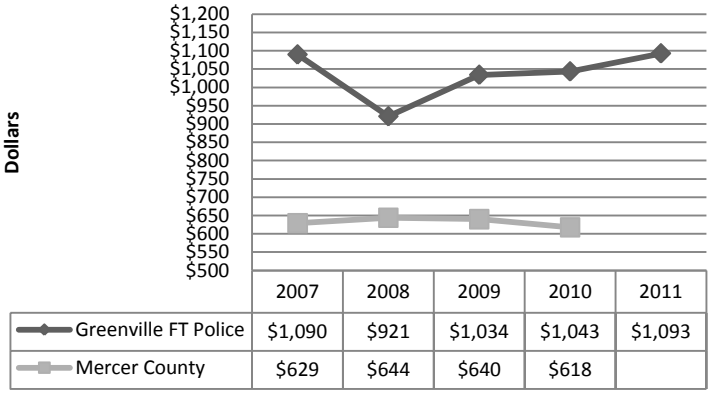
**Note: Salaries/wages include: salary/hour pay, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time and court pay; and do not include health benefits, pension benefits, and fringe benefits.*

Graph PD-7: Salary/Wage Expenditure Trend 2007-2011

POLICE PERSONNEL	2007	2008	2009	2010
Chief	1	1	1	1
Sergeants	2	2	2	2
Full-time Patrol	4	5	5	5
Total	7	8	8	8

Table PD-3: Number of Full-Time Police Personnel 2007-2011

Using the salary/wage data contained in the data section of Graph PD-7, a comparison of the average weekly salary of Greenville's full-time police personnel and the average weekly salary of people employed in Mercer County (U.S. Bureau of Labor and Statistics) is shown in Graph PD-8 below. As is indicated, the average weekly salary of a full-time police officer in Greenville Borough in significantly higher than the average weekly salary of the employed population in Mercer County.

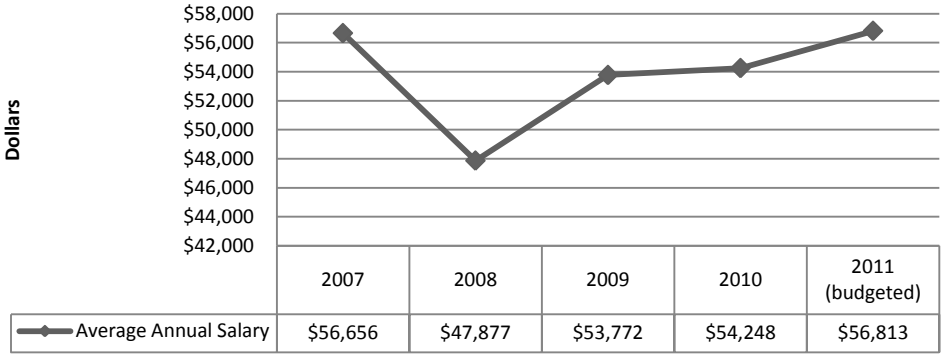


The average weekly salary for full-time police personnel was calculated as follows, using 2007 as an example: Salary/Wage of $396,589 divided by 52 weeks in a year, divided by 7 (the number of full-time police personnel in 2007) = average weekly salary.

**Note: Salary/wages include salary/hour pay, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time and court pay: and do not include healthcare benefits, pension benefits, and fringe benefits.*

Graph PD-8: Comparison of Average Weekly Salaries for Greenville FT Police and Mercer County

Using the gross base wages contained in the data table of Graph PD-8, the estimated average annual wage* for one full-time police officer is shown in Graph PD-9. As in indicated in Graph PD-9, the annual gross wages for full-time police have continued to increase since 2008.

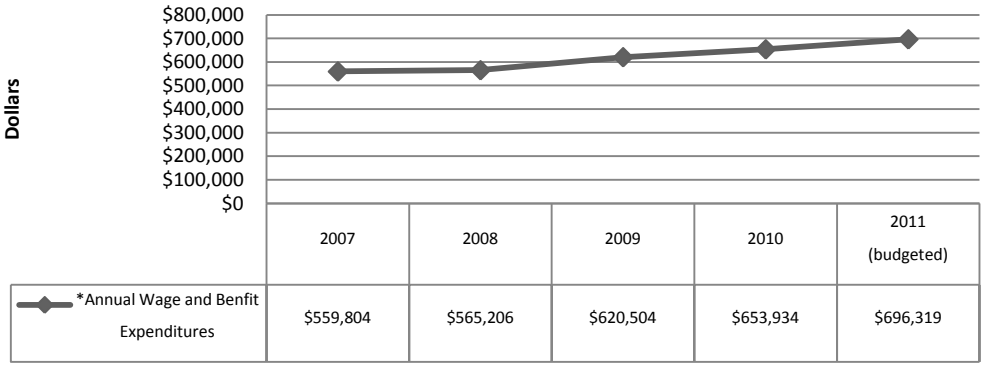


**Note: Average annual wage includes: salary/hour pay, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time and court pay: and do not include healthcare benefits, pension benefits, and fringe benefits.*

Graph PD-9: Estimated Average Annual Base Wage(s) for 1 Full-time Police Officer

Beginning in 2007 and through 2010 (actual) and 2011 as budgeted, total annual costs* associated with the employment of full-time police personnel increased 24.39% over the five-year period and at an average annual rate of 6.48% per year; which is more than double the 3% limitation (Revised Recovery Plan, 2008) placed on salary and benefits increases for Borough employees.

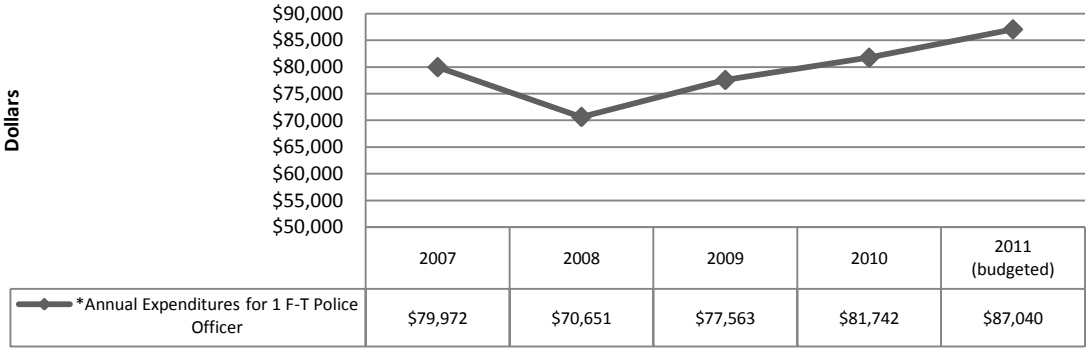
**Note: Total annual costs include only the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*



**Note: Total annual costs only include the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*

Graph PD-10: Annual Expenditures for Full-time Police

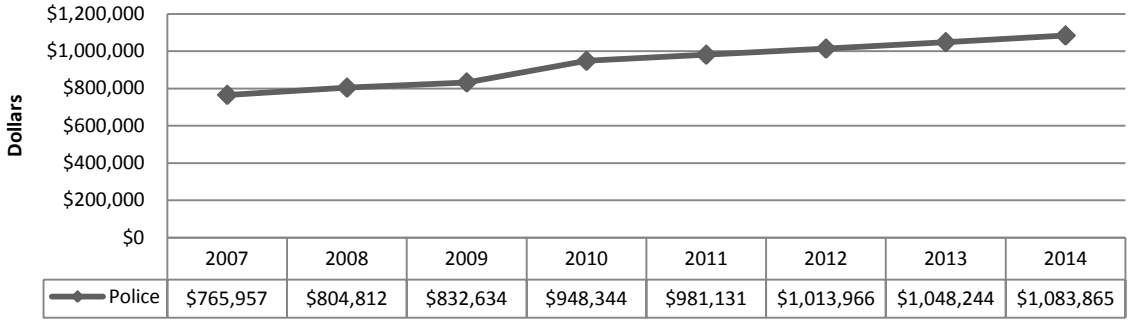
In looking at total annual costs* and total annual costs per one full-time police person to include salaries/wages, healthcare, pension and longevity; the annual cost(s) associated with full-time police personnel in 2010 was $653,934 (Graph PD-10 above) and the average cost of one full-time police person in 2010 was $81,742 (Graph PD-11 below).



**Note: Annual expenditures per police officer is based on total annual costs which only include the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*

Graph PD-11: Average Annual Expenditures Per Police Officer

Expenditures in the Police Department are expected to continue to increase annually through 2014 as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph PD-12: Police Department Expenditure Projection Trend

Table PD-4 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Pension benefits and longevity are shown at 2011 status quo due to the inability to make projections for pension benefits and the lack of specific information in regard to increases in longevity.

[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

	YE Treasurer's Reports (actual)				Projected			
Police Department	2007	2008	2009	2010	2011	2012	2013	2014
Wages and Salaries	$498,959	$518,249	$546,861	$554,737	$571,379	$588,520	$606,176	$624,361
Healthcare Benefit Expenditures	$112,178	$130,506	$131,706	$147,721	$167,500	$178,934	$191,191	$204,148
Pension Benefit Expenditures	$46,112	$46,335	$54,124	$67,326	$67,326	$67,326	$67,326	$67,326
Other Personnel Expenditures	$15,075	$20,293	$21,428	$25,428	$76,765	$79,062	$81,428	$83,864
Goods and Services	$93,633	$89,429	$78,515	$153,132	$98,161	$100,124	$102,123	$104,165
TOTALS	$765,957	$804,812	$832,634	$948,344	$981,131	$1,013,966	$1,048,244	$1,083,865

Table PD-4: Police Department Expenditure Projection Data

Fire Department

The Fire Department currently employs one full-time department head (chief), three full-time lieutenants, one full-time fire fighter, and five part-time fire fighters. Prior to 2008, the department head position (chief) was part of the labor union. The borough's petition to the Pennsylvania Labor Relations Board to remove the fire chief from the union was granted.

FIRE	2007	2008	2009	2010	2011
Chief	1	1	1	1	1
Lieutenants	3	3	3	3	3
Fire Fighters	3	2	2	1	1
Part Time	0	0	6	5	5

Table FD-1: Fire Personnel 2007-2011

As indicated in Table FD-1, the Fire Department staffing went from 7 full-time personnel in 2007-2008 to 6 full-time personnel in 2009, and to 5 full-time personnel in 2010 through 2011. In addition, the Fire Department went from 0 part-time personnel in 2007-2008 to 6 part-time personnel in 2009, and then to 5 part-time personnel in 2010 and through 2011.

Annual costs associated with the Greenville Fire Department increased in the years 2007-2009 and decreased in the years 2010 and 2011 (as budgeted). The steep increase in 2009 is due to increases in salaries and wages, pension benefits, and other personnel costs; but is mainly attributed to increases in goods and services*.

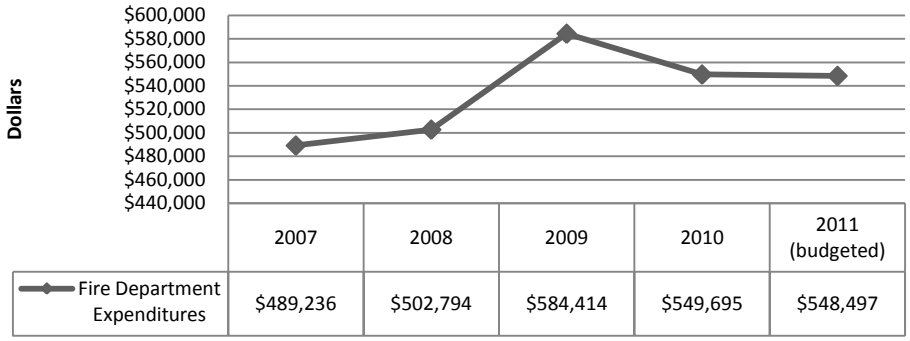
Fire	2007	2008	2009	2010	2011 (budgeted)
Goods and Services	$51,498	$47,329	$109,441	$77,279	$89,422
Salaries and Wages	$287,560	$288,918	$305,168	$293,889	$283,668
Health Benefits	$74,785	$83,318	$81,307	$82,365	$87,220
Pension Benefits	$59,649	$57,193	$59,849	$70,235	$59,398
Other Personnel Costs	$15,744	$26,036	$28,649	$25,927	$28,789
Total	$489,236	$502,794	$584,414	$549,695	$548,497

Table FD-2: Fire Department Expenditures 2007-2010 (actual), 2011 (budgeted)

*The major deviations in goods and services in 2009 as compared to 2008 are listed below:

Line Item	Amount of Increase in 2009 over and above 2008 Expense(s)
Vehicle maintenance	$9,327
Donation (supported) Purchases	$40,783 (safety equipment)
Clothing/Uniforms	$12,163 (outfitting for part-timers)

The expenditure trend for the fire department for years 2007- 2010 and 2011 (as budgeted) is shown in Graph FD-1 below.



Graph FD-1: Fire Department Expenditures Trend 2007-2010 (actual), 2011 (budgeted)

A snapshot of the average annual expenditures for the years 2007-2010 and 2011 (as budgeted) for the Fire Department is shown in Chart FD-1 below. As indicated, the majority of expenditures (86%) in the Fire Department are for personnel associated costs and the remaining expenditures (14%) are used for operations and supplies (Goods and Services).

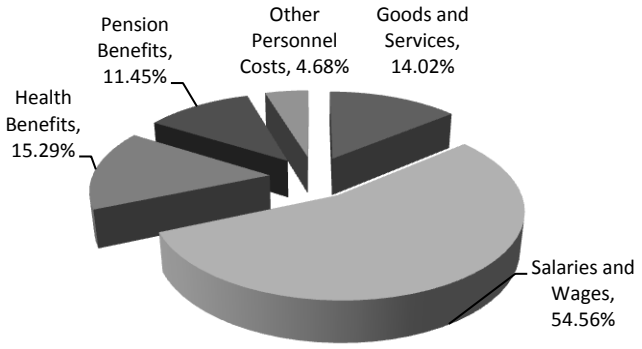
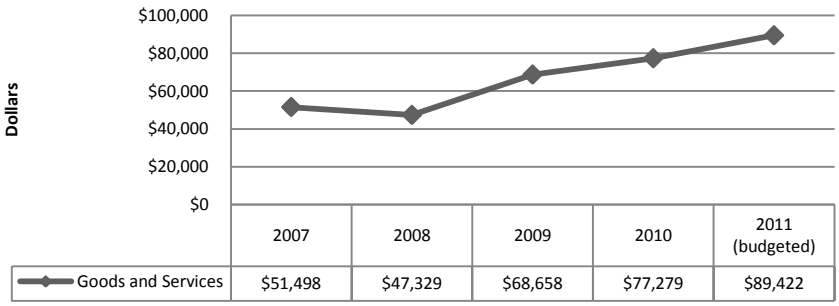


Chart FD-1: Fire Department Expenditures Uses 2007-2011

The costs associated with Goods and Services, as shown in Graph FD-2, have increased 73.64% since 2007 and have increased at an average annual rate of 20.35%*.

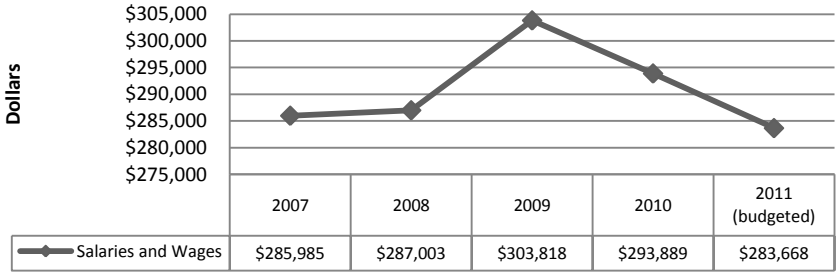
Within the Goods and Services expenditures line item, there are costs associated with vehicle insurance. In 2010, the Borough's fire fleet insurance expenditure was $3890; and in 2011, the budgeted amount for the Borough's fire fleet insurance is $8225. Currently, the Borough is paying over $1,000 annually for a 1966 aerial truck that is no longer in service; but is used a couple times per year for community events (parades). ***To reduce the cost of vehicle insurance by approximately $1,000 per year, the 1966 aerial truck shall be disposed of during 2011 and proceeds from the sale of the truck shall be earmarked for use by the Fire Department for capital expenses (Recommendation 147).***

**Note: The one time donations purchase(s) of $40,783 in 2009 was removed from the calculation but is shown in the expenditure uses in Chart FD-1 and the expenditure trend in Graph FD-2.*



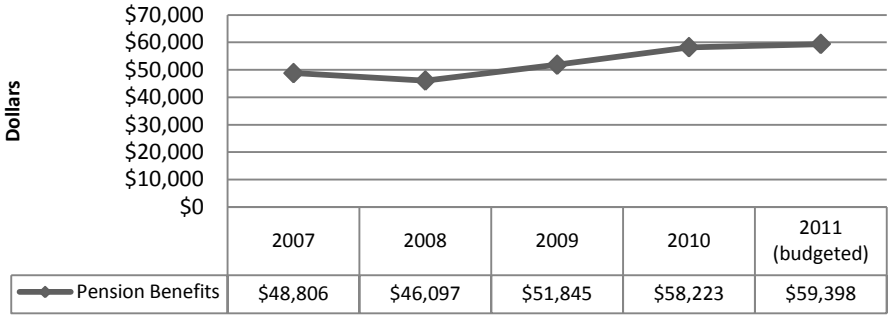
Graph FD-2: FD Goods and Services Expenditures Trend

Salaries and Wages, as shown in Graph FD-3, include full-time and part-time personnel. Department wide, salaries and wages have increased by less than 1% since 2007 and have increased at an average annual rate of less than 1% due to the attrition of full-time fire personnel (one full-time fire fighter in 2008 was not replaced, and another full-time fire fighter was not replaced in 2010).



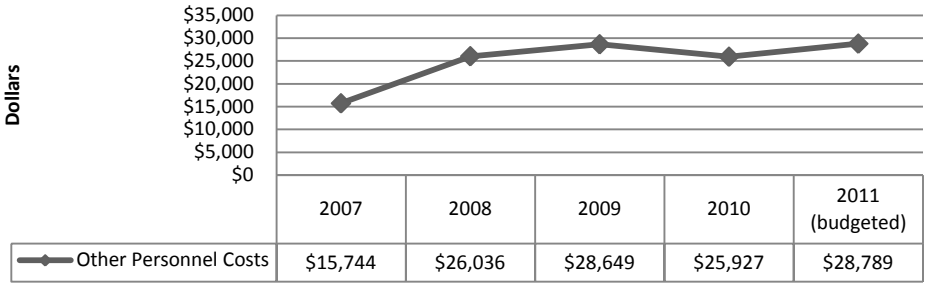
Graph FD-3: FD Salaries and Wages Expenditures Trend

The costs associated with pension benefits expenditures as shown in Graph FD-4 have increased 21.70% since 2007; and have increased at an average annual rate of 5.31%.



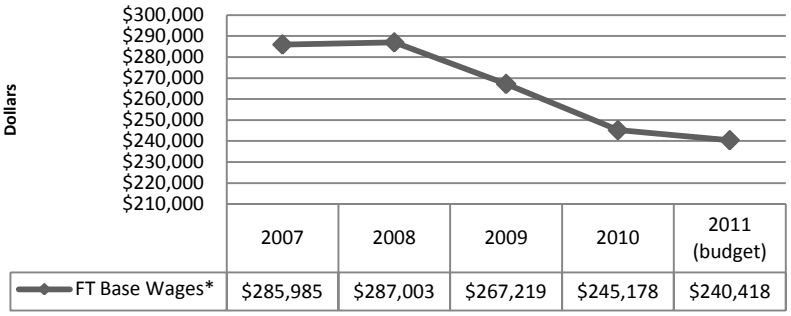
Graph FD-4: FD Pension Benefit Expenditures Trend

The costs associated with Other Personnel Costs as shown in Graph FD-5 have increased 82.86% since 2007; and have increased at an average annual rate of 19.24%.



In looking at salaries/wages* for full-time fire personnel (chief, lieutenants, and full-time firemen), salaries/wages decreased in 2009 as compared to 2008 - due to the reduction of one full-time fire fighter position. In 2009 salaries/wages decreased again due to the employment of six part-time personnel. In 2010, salaries/wages continued to decrease with the continued employment of part-time fire personnel and the reduction of an additional full-time position. As budgeted for 2011, salaries/wages are proposed to decrease by approximately $10,000.

**Note: Salaries/wages include: salary/hour pay, short-term vacancy, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time; and do not include health benefits, pension benefits, and fringe benefits.*



Graph FD-6: Full-time Base Wages

FIRE	2007	2008	2009	2010	2011
Chief	1	1	1	1	1
Lieutenants	3	3	3	3	3
Fire Fighters	3	2	2	1	1

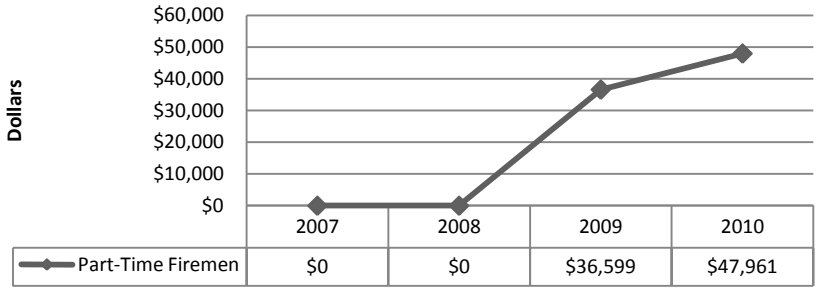
Table FD-3: Fire Personnel

Employment of part-time personnel since 2009 is shown in Table FD-4.

FIRE	2007	2008	2009	2010	2011
Part Time	0	0	6	5	5

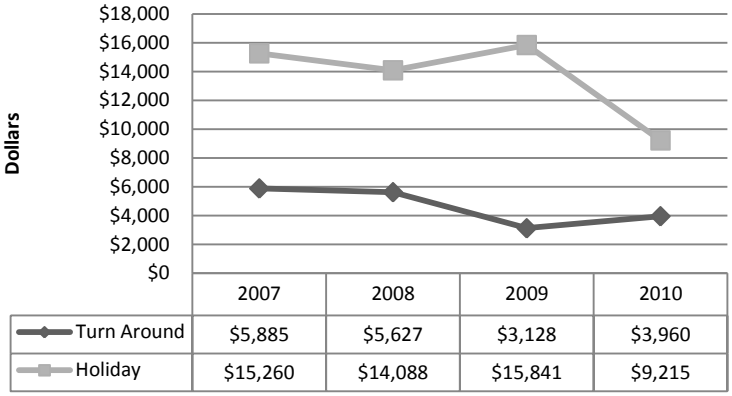
Table FD-4: Part-time Fire Personnel 2007-2011

The expenditure trend for part-time personnel wages is shown in Graph FD-7 below.



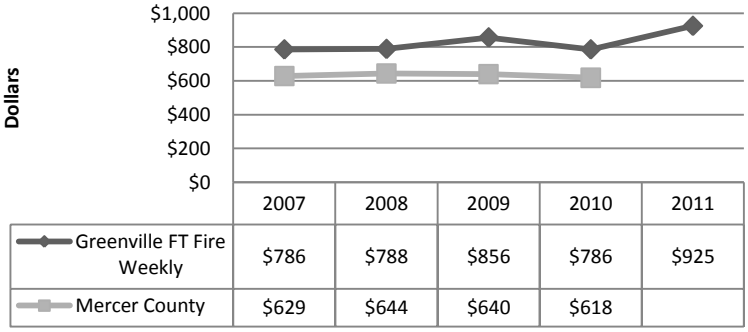
Graph FD-7: Expenditure trend for part-time fire personnel wages

In addition to the expenditure savings in salaries/wages through the use of part-time fire personnel, the fire department's expenditures for turn-around pay and holiday pay were also reduced (see Graph FD-8).



Graph FD-8: Turn-around Pay and Holiday Pay Expenditure Trends

Using the salary/wage data for full-time fire personnel contained in the data section of Graph FD-8, a comparison of the average weekly salary of Greenville's full-time fire personnel and the average weekly salary of people employed in Mercer County (U.S. Bureau of Labor and Statistics) is shown in Graph FD-9 below. As indicated, the average weekly salary of a full-time firemen in Greenville Borough in higher than the average weekly salary of the employed population in Mercer County.



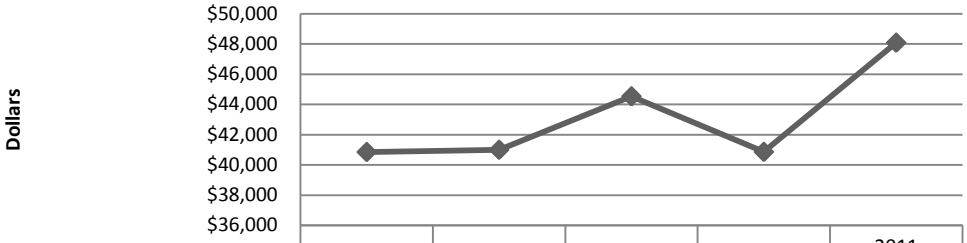
The average weekly salary for full-time fire personnel was calculated as follows, using 2007 as an example: Base Wage of $285,985 divided by 52 weeks in a year, divided by 7 (the number of full-time fire personnel in 2007) = average weekly salary.

**Note: Salaries/wages include: salary/hour pay, short-term vacancy, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time; and do not include health benefits, pension benefits, and fringe benefits.*

Graph FD-9: Comparison of Average Weekly Salaries for Greenville FT Fire and Mercer County

Using the gross salaries/wages contained in the data table of Graph FD-9 for full-time fire personnel, the estimated average annual wage* for one full-time fireman is shown in Graph FD-10. Even though the expenditures for salaries/wages of full-time fire personnel department wide has declined (as shown in Graph FD-9), the salaries/wages for one full-time fireman has on the average, increased over the five year period shown in Graph FD-10.

In analyzing the specific line items for the various pay categories in the fire department, the decrease in annual wages in 2010 was specifically due to an $18,000 decrease in the use of short-term vacancy pay.



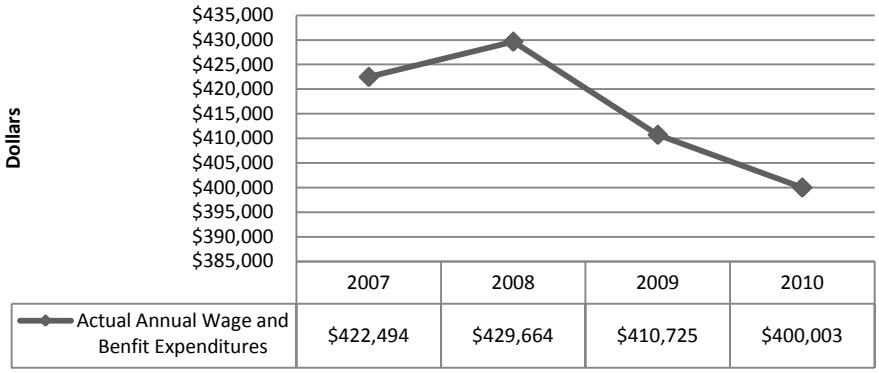
	2007	2008	2009	2010	2011 (budgeted)
Greenville FT Fire Annual Salary	$40,855	$41,000	$44,537	$40,863	$48,084

**Note: Salaries/wages include: salary/hour pay, short-term vacancy, shift supervisor pay, shift differential, turn-around pay, holiday pay, and 60% of actual expenditures for over-time; and do not include health benefits, pension benefits, and fringe benefits.*

Graph FD-10: Estimated Average Annual Base Wage(s) for 1 Full-time Fireman

Even with the loss of two full-time fire personnel, the total (actual) annual costs* associated with the employment of full-time fire personnel for the years 2007-2010 has increased 5.32% over the four-year period; and at an average annual rate of 2.91% per year.

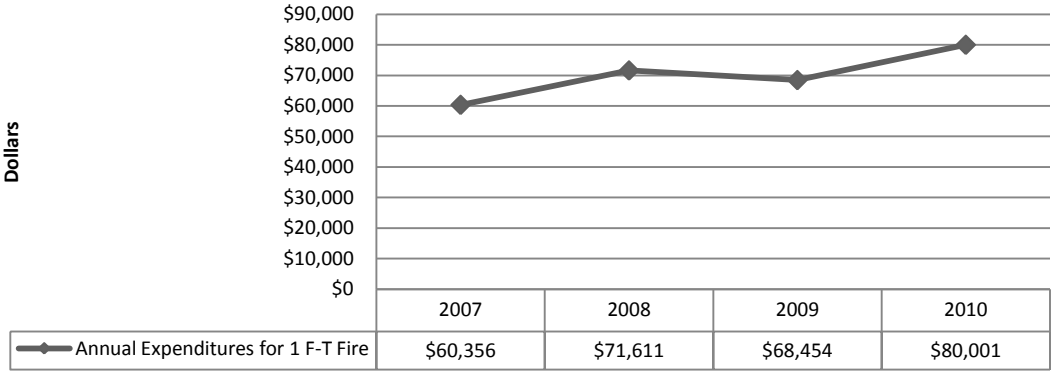
**Note: Total annual costs include only the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*



**Note: Total annual costs only include the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*

Graph FD-11: Annual Wage Expenditures for Full-time Fire

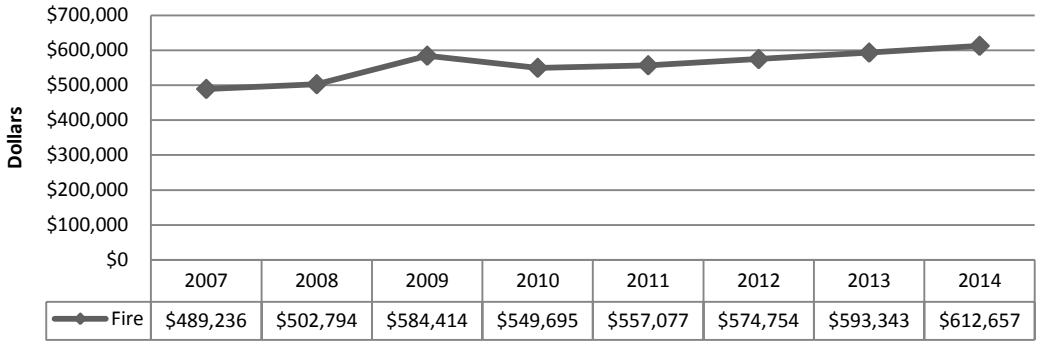
In looking at total annual costs* and total annual costs per one full-time fire personnel to include base wages, healthcare, pension and longevity; the annual cost(s) associated with full-time fire personnel in 2010 was $400,003 (Graph FD-11 above) and the average cost of one full-time fireman in 2010 was $80,001 (Graph FD-12 below).



**Note: Annual expenditures per police officer is based on total annual costs which only include the items that are negotiated in the Collective Bargaining Agreement and do not include workmen's compensation insurance and the Borough's responsibility for contributions to FICA and PA Unemployment Compensation.*

Graph PS-12: Average Annual Expenditures Per F-T Fire Personnel

Expenditures in the Fire Department are expected to continue to increase annually through 2014 (and beyond) as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph FD-13: Fire Department Expenditures 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Table FD-5 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Pension benefits and longevity are shown at 2011 status quo due to the inability to make projections for pension benefits and the lack of specific information in regard to planned increases in longevity.

[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends.* The Society of Actuaries, 2007.

YE Treasurer's Reports (actual)					Budgeted	Projected		
	2007	2008	2009	2010	2011	2012	2013	2014
Wages and Salaries	$287,560	$288,918	$305,168	$293,889	$302,706	$311,787	$321,140	$330,774
Healthcare Benefit Expenditures	$74,785	$83,318	$81,307	$82,365	$97,742	$104,117	$110,951	$118,175
Pension Benefit Expenditures	$59,649	$57,193	$59,849	$70,235	$47,398	$47,398	$47,398	$47,398
Other Personnel Expenditures	$15,744	$26,036	$28,649	$25,927	$30,406	$31,050	$31,843	$32,659
Goods and Services	$51,498	$47,329	$109,441	$77,279	$78,825	$80,402	$82,010	$83,650
TOTALS	$489,236	$502,794	$584,414	$549,695	$557,077	$574,754	$593,343	$612,657

Table FD-5: Fire Department Expenditure Projection Data

A study of the Greenville Fire Department is currently being conducted by a DCED peer consultant. Once the study has been reviewed with borough council, actions shall be initiated to amend the Act 47 plan to incorporate the recommendations into the recovery plan (Recommendation #148).

Codes/Zoning Department

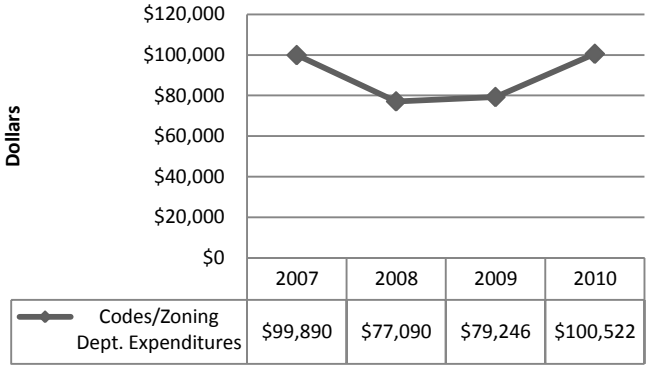
The Codes/Zoning Department includes all functions for codes enforcement including municipal codes, planning, zoning and some responsibilities in building codes.

The Codes/Zoning Department currently employs one part-time secretary and one full-time codes/zoning officer. Prior to 2008, the Codes Department employed one full-time building inspector/codes and zoning officer; and one part-time building inspector/codes officer. In 2007, the former full-time building/zoning officer found other employment. For a short period in time in 2007 through the early part of 2008, the part-time building inspector worked full-time as the building inspector/zoning officer. In early 2008, that person also found other employment. In an effort to reduce personnel costs associated with the Codes/Zoning Department, in 2008 (per the recommendation of the Revised Recovery Plan, 2008), Borough Council contracted with a third-part agency for building code inspections and hired a part-time municipal codes/zoning officer. In late 2010, the part-time position was made a full-time position. The information contained in Table CZD-1 shows the number of employed staff by position for the years 2007-2011.

CODES/ZONING	2007	2008	2009	2010	2011
Codes/Bldg. FT	1	0	0	0	1
Codes/Bldg PT	1	1	1	1	0
Secretary PT	1	1	1	1	1

Table CZD-1: Codes/Zoning Department Personnel 2007-2011

Although the number of personnel employed by the Borough in the Codes/Zoning Department decreased beginning in 2008, the costs associated with Codes/Zoning decreased in 2008 and 2009 but increased in 2010 (see Graph CZD-1 and Table CZD-2).



Note: The expenditure trend as shown in the graph above does not include pension benefits and workmen's compensation insurance.

Graph CZD-1: Codes/Zoning Department Expenditure Trends 2007-2010

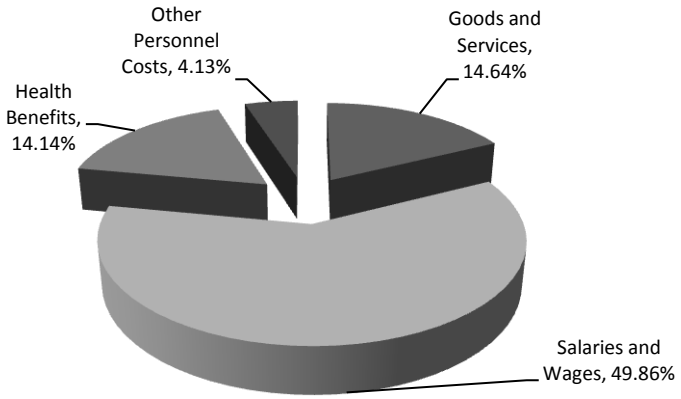
Codes/Zoning Dept. Expenditures	2007	2008	2009	2010	2011
Goods and Services	$24,784	$8,485	$6,448	$15,689	$10,417
Salaries and Wages	$57,261	$43,581	$39,651	$35,793	$47,924
Health Benefits	$12,883	$12,184	$11,074	$12,472	$14,982
Pension Benefits	$0	$0	$0	$0	$0
Other Personnel Costs	$4,962	$4,802	$3,851	$336	$4,599

Contracted Services	$0	$8,038	$18,222	$36,232	$15,000
Total	$99,890	$77,090	$79,246	$100,522	$92,922

Note: Figures as shown in the table above do not include pension benefits and workmen's compensation insurance.

Table CZD-2: Codes/Zoning Department Expenditures 2007-2010 (actual) and 2011 (budgeted)

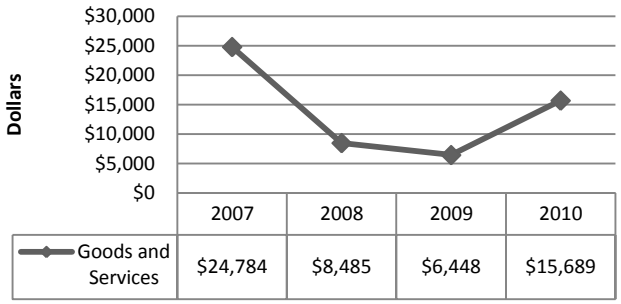
As shown in Chart CZD-1 below, the expenditures uses in the Codes/Zoning Department can be combined into four major expenditure categories (salaries and wages, health benefits, other personnel costs, and goods and services (general operating) expenditures. In an average year (years 2007-2011), 85% of the Codes/Zoning Department's expenditures are associated with costs related to personnel and the remaining 15% are for general operating expenditures.



Note: The percentage breakdowns as shown do not include the costs for Worker's Compensation Insurance or Pension Benefits.

Chart CZD-1: Codes/Zoning Breakdown of Expenditure Categories (less contracted services) 2007-2010 (actual) and 2011 (budgeted)

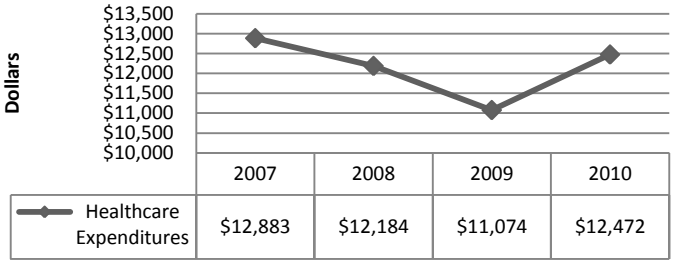
The expenditure trend in Graph CDZ-1 above, matches the expenditure trend in Graph CZD-2 below; wherein costs decreased in 2008 and 2009 and increased in 2010.



Graph CZD-2: Goods and Services Expenditures 2007-2010 (actual)

Per the data table contained with Graph CZD-2, in 2007, the single major deviation of $17,300 was due to expenditures for sewer lateral inspections as compared to $2,210 in 2008. In 2010, the increase is due to the change in the Borough's financial accounting system wherein the actual costs associated with the Codes/Zoning Department are accounted for as departmental expenditures and where in previous years, certain expenditures (ie. DCED building permit fees, legal services and telephone services) were included with the General Government expenditures.

As indicated in Graph CDZ-3 below, the trend for healthcare costs as compared to the Departmental Expenditures trend in Graph CZD-1 are similar. Although healthcare premiums have continued to increase, the healthcare costs associated with the Codes/Zoning Department decreased due to the staffing changes and the contracted third-party services for building inspections. The increase in 2010 was due to increased cost (divided among various departments) for the increase in hours for the Codes/Zoning Secretary and the Codes/Zoning Officer's change in employment status from part-time to full-time.



Graph CZD-3: Healthcare Expenditures

The use of contracted services (third-party building inspection agency) began in mid 2008. Prior to the Borough's contract with a third-party agency, all building inspection services were provided in-house with the building inspectors being employees of the Borough. Therefore, personnel related costs for the years 2007-2008 at 85% are somewhat skewed; as all expenditures for contracted services are paid by the applicant. The monies received are then held until the monthly invoice is received from the third-party agency.

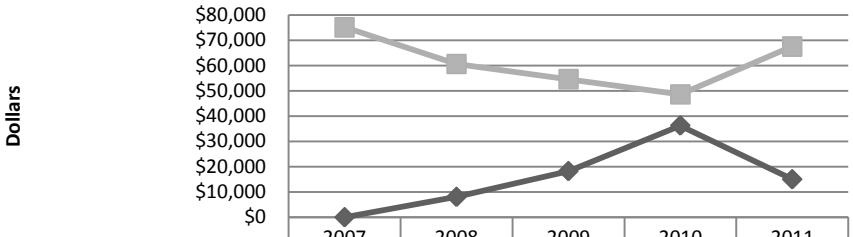
Contracted Services for Bldg. Inspections	2007	2008	2009	2010	2011
	$0	$8,038	$18,222	$36,232	$15,000

Table CZD-3: Contracted Services 2007-2010 (actual) and 2011 (budgeted)

As shown in Graph CZD-4 below, the Borough's costs associated with staffing (1 full-time building inspector/zoning officer and 1 part-time building inspector/code enforcement officer) for in-house building inspection and code enforcement services in 2007 were $75,106 (does not include workmen's compensation insurance). In 2008, the

cost for staffing was reduced by nearly $15,000 due to the execution of the contract agreement with a third-party agency for inspection services.

In 2008-2009, staffing was limited to one part-time code enforcement/zoning officer and all building inspection services were contracted; this staffing change reduced the costs associated with personnel expenditures in an amount in excess of $20,000 in 2009 when compared to personnel expenditures in 2007 and in excess of $25,000 in 2010 when compared to the personnel expenditures in 2007. Costs associated with personnel in 2011 as budgeted increased due to the change in the status of the code enforcement/zoning officer from part-time to full-time.



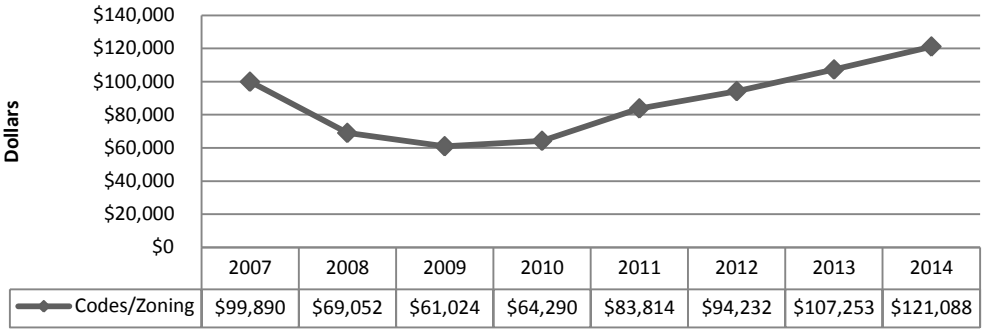
	2007	2008	2009	2010	2011
Contracted Services	$0	$8,038	$18,222	$36,232	$15,000
Personnel Expenditures	$75,106	$60,567	$54,576	$48,601	$67,505

**Note: Personnel Expenditures as shown do not include pension benefits and workmen's compensation insurance.*

Graph CDZ-4: Contracted Services as Compared to Personnel Expenditures 2007-2010 (actual), 2011 (budgeted)

The data for all years (2007-2011) for pension benefits is not available by department due to the accounting format used in years 2007-2009. Codes/Zoning employee's pension benefits are included in the Non-Uniform Pension line item as provided in the General Government Administration discussion. In addition, during the years 2009 and 2010, there were no employees in the Codes/Zoning Department that were eligible for pension benefits.

Expenditures in the Codes/Zoning Department are expected to continue to increase annually through 2014 and beyond as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph CZD-5: Codes/Zoning Department Expenditures 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Table CZD-4 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Pension benefits and longevity are shown at 2011 status quo due to the inability to make projections for pension benefits and the lack of specific information in regard to planned increases in longevity.

[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

YE Treasurer's Reports (actual)					Budgeted	Projected		
Codes/Zoning	2007	2008	2009	2010	2011	2012	2013	2014
Wages and Salaries	$57,261	$43,581	$39,651	$35,793	$46,422	$49,249	$50,727	$52,249
Healthcare Benefit Expenditures	$12,883	$12,184	$11,074	$12,472	$14,982	$22,061	$33,080	$44,856
Pension Benefit Expenditures	$0	$0	$0	$0	$0	$0	$0	$0
Other Personnel Expenditures	$4,962	$4,802	$3,851	$336	$6,407	$6,599	$6,797	$7,001
Goods and Services	$24,784	$8,485	$6,448	$15,689	$16,003	$16,323	$16,649	$16,982
TOTALS	$99,890	$69,052	$61,024	$64,290	$83,814	$94,232	$107,253	$121,088

Table CZD-4: Codes/Zoning Department Expenditure Projection Data

Public Works Department

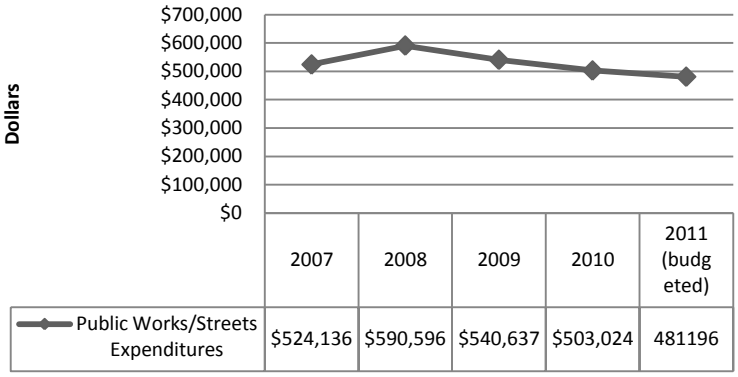
Public Works expenditures include all expenses related to the Streets Department; such as: personnel, equipment purchases and repairs, vehicle maintenance, street and alley maintenance materials and supplies, all costs associated with winter maintenance, traffic lights, street lights, sidewalks and curbs, storm sewer and drains, and guardrails.

Currently, the Borough maintains 4 full-time positions and 1 part-time position for providing Public Works/Street Department services. The Department is overseen by a Public Services Director that commits ten hours per week to the Borough's Street Department and 30 hours per week to the Sewer Authority. Table PW-1 below provides a synopsis of the historical employment records of the Public Works/Street Department for the years 2000-2011.

PUBLIC WORKS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Part-Time Director	0	0	0	0	0	0	0	0	0	1	1	1
Full-Time	6	7	7	6	6	6	6	6	6	6	4	4
Part-Time	0	0	0	0	0	0	0	0	0	0	1	1
Seasonal	2	1	4	3	2	5	4	0	1	1	1	1
Total	8	8	11	9	8	11	10	6	7	7	6	6

Table PW-1: Public Works/Street Department Personnel 2000-2011

As shown in Graph PW-1 below, the expenditure trend in the Public Works/Street Department indicates an increase in expenditures in 2008 as compared to 2007; and a declining expenditure trend for the years following.



Graph PW-1: Public Works Expenditures 2007-2010 (actual) and 2011 (budgeted)

Table PW-2 provides the expenditure data associated with the various expenditure categories for the years 2007-2010 (actual) and 2011 (budgeted). As is indicated in 2009, in Graph PS-29 where expenditures increased, the expenditure increase is due to increases in every expenditure category with the exception of Streets/Alleys/Bridges/Lots (see Table PS-13).

PUBLIC WORKS	2007	2008	2009	2010	2011 (budgeted
Personnel	$305,879	$330,073	$334,010	$279,010	$275,516
Streets/Alleys/Bridges/Lots	$71,506	$69,316	$60,017	$80,492	$51,430
Winter Maintenance	$30,167	$49,590	$34,022	$25,115	$29,050
Lights and Signs	$88,238	$105,222	$90,505	$103,068	$108,750
Sidewalks/Curb	$18	$284	$83	$631	$950
Storm Sewers/Drains	$7,764	$8,489	$6,717	$1,391	$1,500
Repair of Vehicles/Equipment	$20,564	$27,622	$15,283	$13,317	$14,000
	$524,136	$590,596	$540,637	$503,024	$481,196

Note: The figures shown in the table above for Personnel do not include workmen's compensation insurance and pension benefits. In addition, capital expenditures that occurred in 2008 and 2009 for the Streetscape Project and the new Public Works Garage have been removed.

Table PW-2: Public Works Expenditures by Departmental Use 2007-2010

Chart PW-1 below, provides a graphic representation of the various expenditure categories as contained Table PW-2. In an average year (2007-2010 actual and 2011 as

budgeted), just over 57% of expenditures in the Public Works/Streets Department have been used for personnel associated costs and 43% of expenditures have been used for general operating costs.

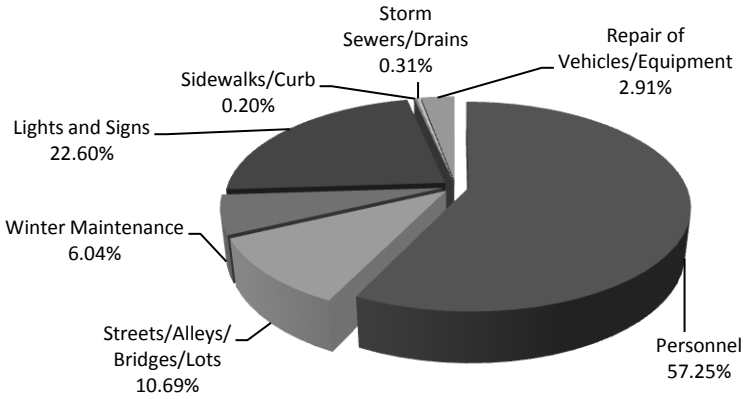
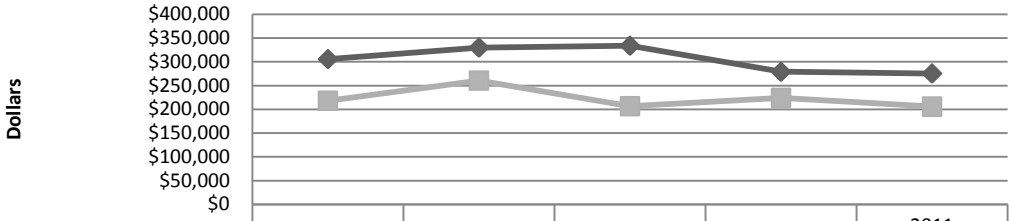


Chart PW-1: Public Works Expenditures by Departmental Use 2007-2010 (actual) and 2011 (budgeted)

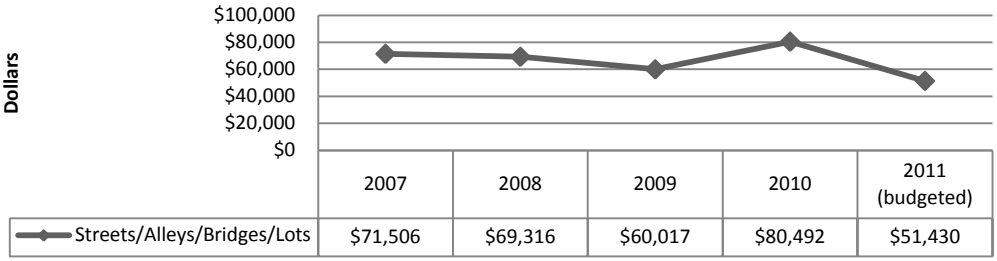
Graph PW-2 below, shows the correlation in expenditures between personnel and goods and services. In 2008, both personnel and goods and services expenditures increased. In 2009, personnel increased and goods and services decreased. In 2010 and 2011 as budgeted, personnel decreased and goods and services increased.



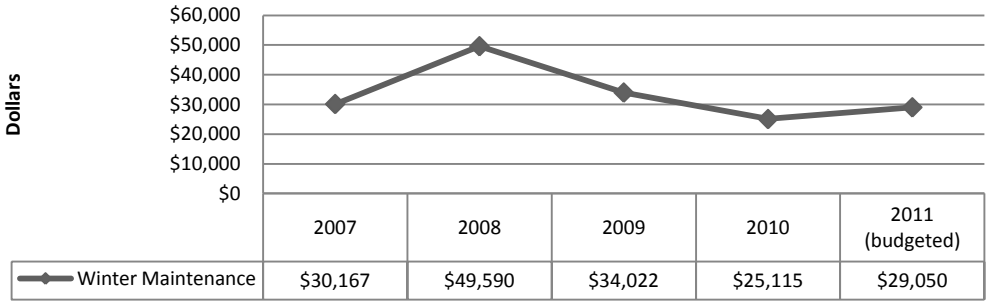
	2007	2008	2009	2010	2011 (budgeted)
Personnel	$305,879	$330,073	$334,010	$279,010	$275,516
Goods and Services	$218,257	$260,523	$206,627	$224,014	$205,680

Graph PW-2: Public Works Expenditures 2007-2010 (actual) and 2011 (budgeted)

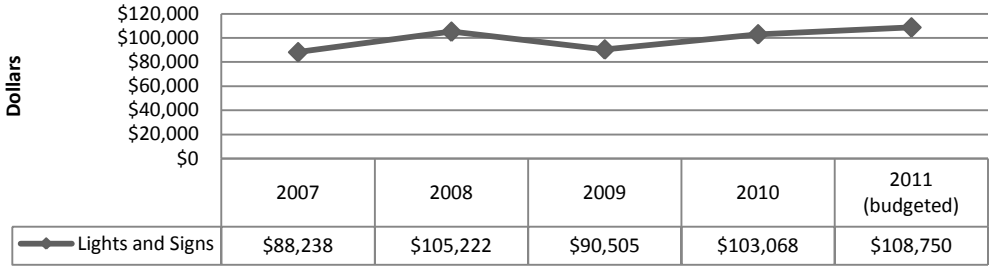
The series of expenditure trends below (Graphs PW-3 – PW-9), represent a pictorial view of the various expenditure categories within the Public Works/Street Department as shown in Table PW-2 and Chart PW-1 above.



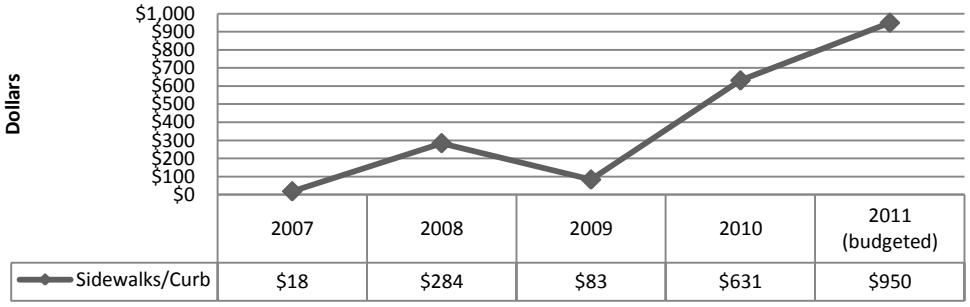
Graph PW-3: Streets/Alleys/Bridges/Parking Lot Expenditures 2007-2010 (actual) and 2011 (budgeted)



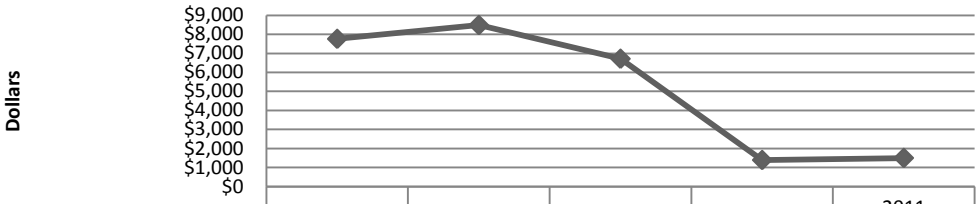
Graph PW-4: Winter Maintenance 2007-2010 (actual) and 2011 (budgeted) (does not include personnel expenditures)



Graph PW-5: Lights (Traffic Lights and Street Lighting) and Street Signs 2007-2010 (actual) and 2011 (budgeted)

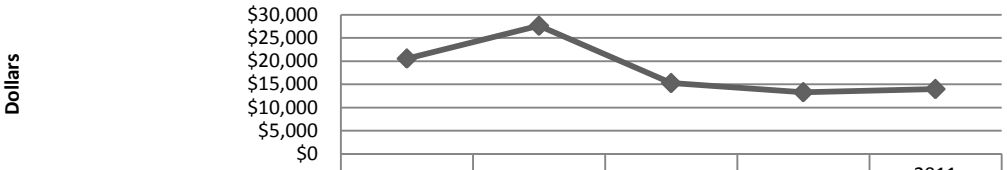


Graph PW-6: Sidewalks and Curbs 2007-2010 (actual) and 2011 (budgeted)



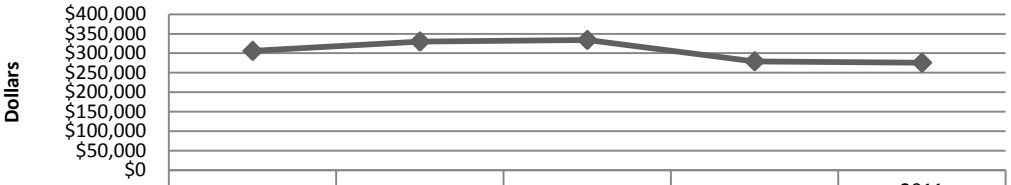
	2007	2008	2009	2010	2011 (budgeted)
Storm Sewers/Drains	$7,764	$8,489	$6,717	$1,391	$1,500

Graph PW-7: Storm Sewers and Drains 2007-2010 (actual) and 2011 (budgeted)



	2007	2008	2009	2010	2011 (budgeted)
Repair of Vehicles/Equipment	$20,564	$27,622	$15,283	$13,317	$14,000

Graph PW-8: Repair of Vehicles and Equipment 2007-2010 (actual) and 2011 (budgeted)



	2007	2008	2009	2010	2011 (budgeted)
Personnel	$305,879	$330,073	$334,010	$279,010	$275,516

Graph PW-9: Personnel 2007-2010 (actual) and 2011 (budgeted)

Personnel expenditures as shown in Graph PW-9 may be further categorized to examine specific uses. Chart PW-2 below provides a snapshot of the data contained in Table PW-3 below.

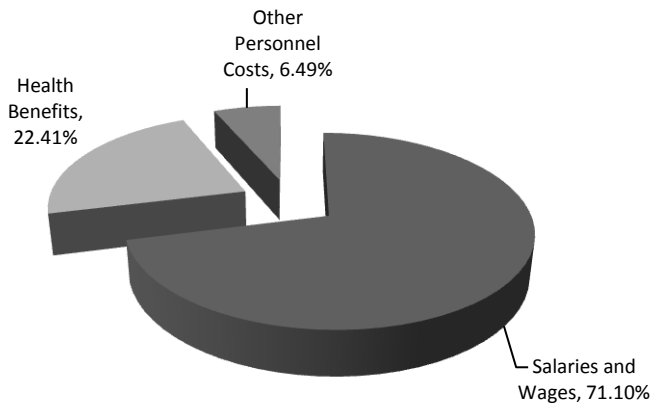


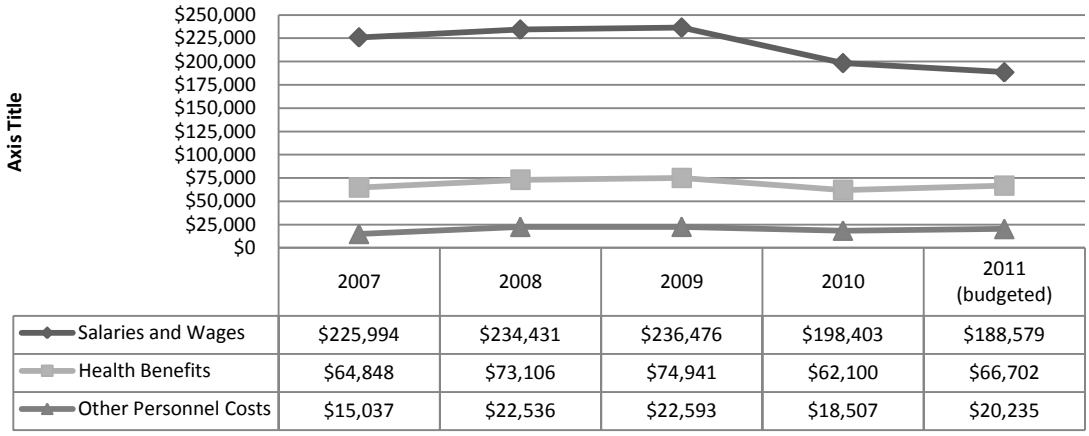
Chart PW-2: Expenditure categories with Personnel Expenditures 2007-2010 (actual), 2011 (budgeted)

Public Works/Streets	2007	2008	2009	2010	2011 (budgeted)
Salaries and Wages	$225,994	$234,431	$236,476	$198,403	$188,579
Health Benefits	$64,848	$73,106	$74,941	$62,100	$66,702
Other Personnel Costs	$15,037	$22,536	$22,593	$18,507	$20,235
	$305,879	$330,073	$334,010	$279,010	$275,516

Note: The figures as shown in the table above do not include non-uniform pension benefits and workmen's compensation insurance costs.

Table PW-3: Public Works Personnel Breakdowns 2007-2010

Using the data contained in Table PW-3, the increases and decreases in the expenditure trend for salaries and wages correlates with the expenditure trends for health benefits and other personnel costs. The small increase in salaries and wages in 2009 was due to the hiring of the Public Services Director. The decrease in salaries and wages in 2010 and health benefits in 2010 was due to the elimination of the Street Superintendant position as per the recommendation of the Revised Recovery Plan (2008). The decrease in salaries and wages in 2011 as budgeted is due to Council's decision to restructure the time allocation for the Public Services Director between the Public Works Department and the Sewer Authority.



Graph PW-10: Expenditures Uses with Personnel Expenditures 2007-2010 (actual) and 2011 (budgeted)

The data contained in Table PW-4, provides the costs associated with full-time Public Works/Street Department employees for the years 2007-2010 (actual) and 2011 as budgeted.

	2007	2008	2009	2010	2011
Full-Time Base Wages*	$217,681	$222,190	$222,103	$152,069	$155,004
Winter Maintenance	$0	$1,654	$3,337	$9,109	$8,000
Overtime	$8,313	$10,587	$7,959	$8,428	$12,700
Health Benefits	$64,848	$73,106	$74,941	$62,100	$66,702
Other Personnel Costs	$15,037	$22,536	$22,593	$18,507	$20,235
Total	$305,879	$330,073	$330,933	$250,213	$262,641

Notes: *Full-time base wages includes F-T working Public Works/Streets Department Superintendant but does not include P-T Public Services Director. In addition, the figures as shown within Other Personnel Costs do not include non-uniform pension benefits and worker's compensation insurance costs.

Table PW-4: Approximate Expenditures for F-T Public Works/Street Department Personnel

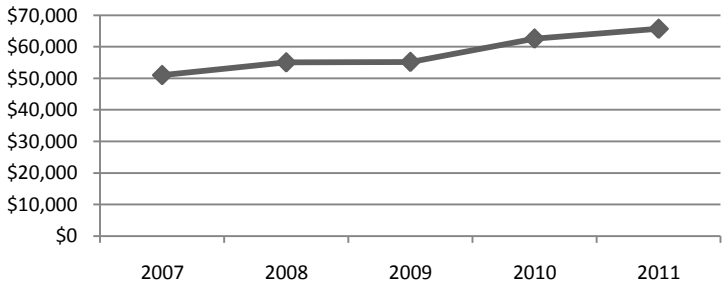
Based upon the data contained in Table PW-4 above, the approximate cost to employ one full-time Public Works/Street Department annually was calculated and is shown in Table PW-5 below.

1 F-T Public Works/Street Department Employee*	2007	2008	2009	2010	2011
	$50,980	$55,012	$55,156	$62,553	$65,660

Note: The figures as shown in the table above do not include non-uniform pension benefits and worker's compensation insurance costs.

Table PW-5: Approximate Borough Costs for 1 Full-Time Public Works/Street Department Employee

The expenditure trend for costs associated with the employment of one full-time Public Works/Streets Department employee for the years 2007-2010 (actual) and 2011 (budgeted) are shown in Graph PW-11; wherein the cost has continued to increase in all years studied.



Graph PW-11: Expenditure Trend for Borough Costs of 1 F-T Public Works/Street Department Employee

The average annually salary for one full-time Public Works/Streets Department employee is shown in Table PW-6. As indicated, salaries and wages have continued to increase.

Average Annual Salary	2007	2008	2009	2010	2011
	$37,666	$39,072	$38,900	$42,402	$43,926

Table PW-6: Average Annual Salary of 1 F-T Public Works/Street Department Employee

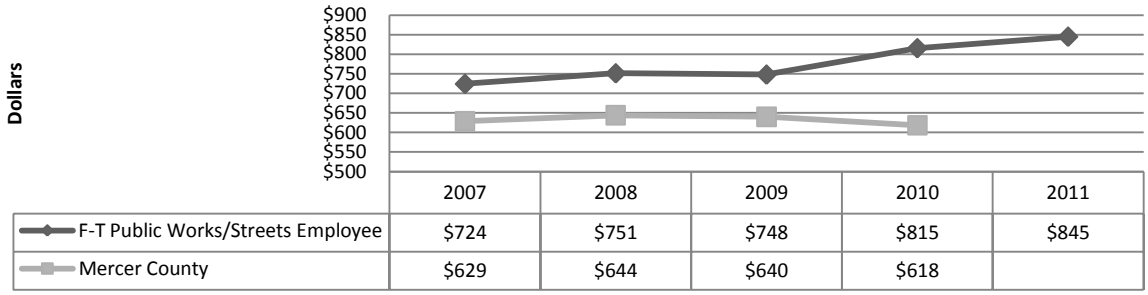
Also based upon the data contained in Table PW-6 above, the approximate annual wage for one full-time Public Works/Street Department employee is shown in Table Pw-7 below and is compared to the annual wage for an individual employed in Mercer County, PA.

Annual Weekly Salaries/Wages	2007	2008	2009	2010	2011
F-T Public Works/Streets Employee	$724	$751	$748	$815	$845
Mercer County	$629	$644	$640	$618	NA

Source: Bureau of Labor and Statistics

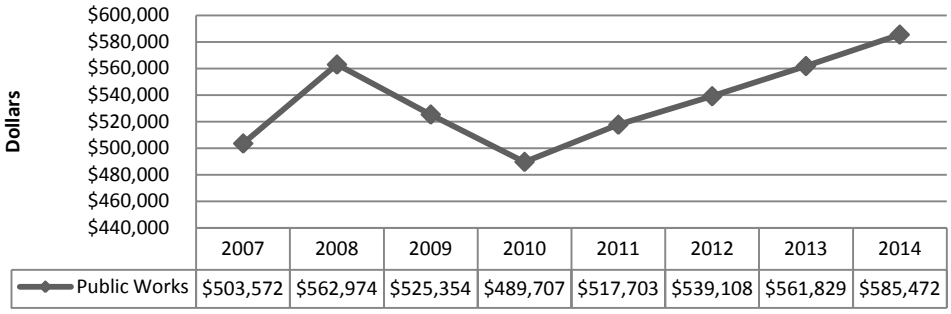
Table PW-8: Annual Weekly Salaries/Wages Comparison 2007-2010 (actual), 2011 (budgeted)

The expenditure trend for the comparison of annual weekly salaries/wages is shown in Graph PW-12 below. As is indicated, the Public Works/Street Department full-time employee's annual weekly salary/wage is significantly higher than that of the employed general population in Mercer County.



Graph PW-12: Annual Weekly Salaries/Wages Comparison 2007-2010 (actual) and 2011 (budgeted)

Expenditures in the Public Works/Streets Department are expected to continue to increase annually through 2014 (and beyond) as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph PW-13: Public Works/Streets Department Expenditure Projection Trend

Table PW-14 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Pension benefits and longevity are shown at 2011 status quo due to the inability to make projections for pension benefits and the lack of specific information in regard to planned increases in longevity.

[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

	YE Treasurer's Reports (actual)				Projected			
	2007	2008	2009	2010	2011	2012	2013	2014
Wages and Salaries	$225,994	$234,431	$236,476	$198,403	$205,790	$211,963	$218,322	$224,872
Healthcare Benefit Expenditures	$64,848	$73,106	$74,941	$62,100	$66,702	$76,897	$87,934	$99,677
Pension Benefit Expenditures	$0	$0	$0	$0	$0	$0	$0	$0
Other Personnel Expenditures	$15,037	$22,536	$22,593	$18,507	$30,301	$31,039	$31,980	$32,858
Goods and Services	$197,693	$232,901	$191,344	$210,697	$214,911	$219,209	$223,593	$228,065
TOTALS	$503,572	$562,974	$525,354	$489,707	$517,703	$539,108	$561,829	$585,472

Table PW-14: Public Works/Streets Department Expenditure Projection Data

Culture and Recreation

Culture and Recreation expenditures include all expenses related to the Borough's parks, playgrounds, library, and civic events.

In 2009, the Greenville Area Leisure Association (GALSA) was dissolved. The Borough currently maintains the parks and playgrounds while programs and activities are coordinated/administered by the Shenango Valley YMCA and one part-time Parks and Recreation Department laborer. In addition, the Public Works/Streets Department has also stepped-in to provide maintenance assistance.

Another significant event of 2009 was the closing of the Greenville Memorial Pool. The pool was closed in September 2009 and has not reopened. The future of the pool is undecided.

The figures as shown in Table CR-1 represent the Borough's expenditures for Culture and Recreation and are much different than those found in the adopted budgets and YE Treasurer's Reports. This is due to the financial arrangement the Borough had with GALSA for many years; wherein all expenditures associated with culture and recreation that were the Borough's responsibility and GALSA's responsibility were included in the annual budget. GALSA would then reimburse the Borough for GALSA's share of costs which included all costs associated with personnel with the exception of the Borough's part-time laborer. In addition, all costs associated with Memorial Pool were historically the full responsibility of GALSA and were not reflected in the Borough's financial statements with the exception of the annual donation to GALSA for pool utilities (typically $6,000 per year). Therefore, the figures shown in Table CR-1 represent the Borough's true expenditures for Culture and Recreation and do not include expenditures that were reimbursed by GALSA.

Culture and Recreation	2007	2008	2009	2010	2011
Personnel	$28,192	$30,668	$31,587	$35,053	$30,650
Gen Operating Parks	$27,973	$25,536	$27,792	$48,877	$33,636
Gen Operating Railroad Park	$542	$1,169	$1,230	$1,030	$1,100
Library Contribution	$5,000	$5,000	$5,000	$5,000	$5,000
	$61,707	$62,373	$65,609	$89,960	$70,386

Table CR-1: Culture and Recreation Expenditures 2007-2010

Expenditures by use are shown in Chart CR-1; wherein, approximately 47% of expenditures for Parks and Recreation is used for general operating goods and services, 45% is used for Personnel Associated Costs, 7% or $5,000 is donated annually to the Public Library, and less than 2% is used to operate the Railroad Park.

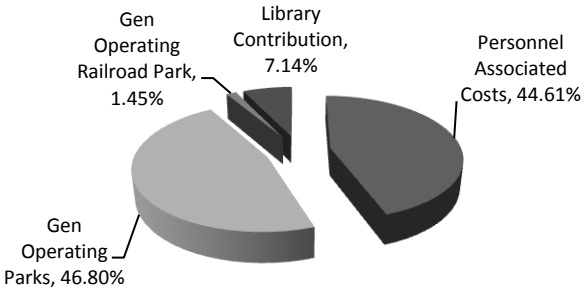
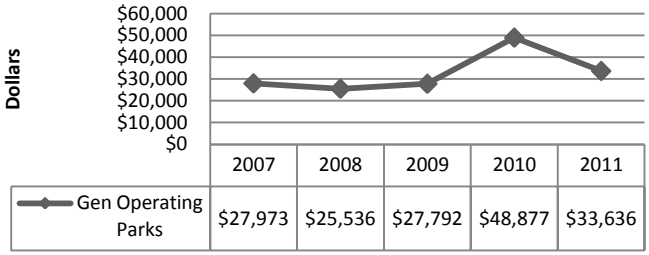


Chart CR-1: Culture and Recreation Expenditures by Use 2007-2010 (actual), 2011 (budgeted)

As shown in the expenditure trend for General Operating expenditures in Graph CR-1, there was a significant increase in general operating expenditures in 2010. The increase as shown was due to the changes made in the Borough's financial accounting system; wherein, the expenditures shown in 2010 is a true representation of the amount that the Borough spent in 2010 to operate the Park(s). Therefore, it is safe to assume that the operating expenditures as shown in previous years 2007-2009 are understated by approximately 45%.

In 2011, Graph CR-1 indicates a significant decrease in operating expenditures when compared to 2010. This decrease was due to an overall decrease in utilities costs – within which was the annual donation of $6,000 for the utilities at Memorial Pool.

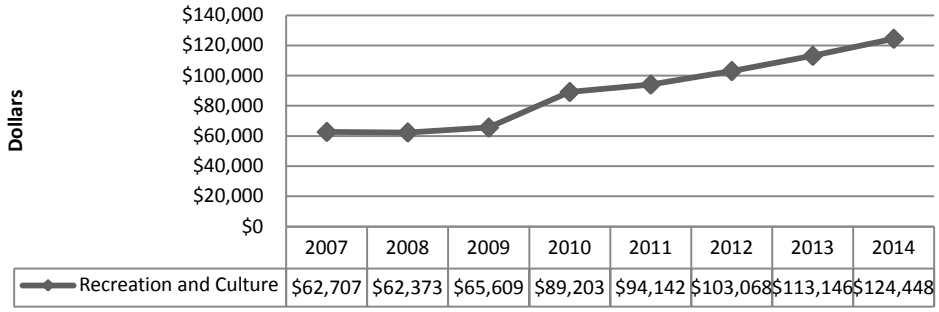


Graph CR-1: General Operating Expenditures for Parks 2007-2010 (actual) and 2011 (budgeted)

The expenditures for General Operating costs for the Railroad Park and the annual Library Contribution are consistent.

The expenditures for costs associated with Parks Personnel increased in 2008-2010 and is budgeted to decrease in 2011. The increase in personnel costs in 2010 was due to the Borough's use of Borough personnel for mowing of the Parks. The budgeted decrease in personnel costs in 2011 is based on budgeted changes in designated staffing hours for Park Maintenance services wherein the previous full-time Park Maintenance person is now split between the Parks Department, the Public Works/Street Department, and the Sewer Authority.

Expenditures in the Culture and Recreation Department are expected to continue to increase annually through 2014 (and beyond) as shown in the graph below. The anticipated increases are a result of continuing increases in costs associated with salaries and wages and other personnel expenditures, healthcare costs, and inflation related to the costs of goods and services.



Graph CR-2: Culture and Recreation Department Expenditures 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

Table CR-2 below contains the data used to construct the projection trend: salaries and wages are projected using a 3% cost-of-living increase; healthcare expenditures are projected[1] to increase 7.5% in 2011, 7.2% in 2012, 7.2% in 2013, and 7.1% in 2014; other personnel expenditures are projected to increase based on current employer withholdings applied to the 3% in salaries and wages. Longevity is included in Other Personnel Benefits as 2011 status quo due to the lack of specific information in regard to planned increases in longevity. Pension benefits for Culture and Recreation personnel are part of the non-uniform pension plan that is included in the General Government Administration Department.

[1] Getzen, T.E. *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries, 2007.

YE Treasurer's Report (actual)					Budgeted	Projected		
	2007	2008	2009	2010	2011	2012	2013	2014
Wages and Salaries	$22,750	$22,509	$23,192	$28,178	$28,178	$34,236	$41,230	$49,228
Healthcare Benefit Expenditures	$3,502	$4,415	$4,371	$3,612	$6,058	$6,994	$7,998	$9,066
Pension Benefit Expenditures	$0	$0	$0	$0	$0	$0	$0	$0
Other Personnel Expenditures	$2,940	$3,744	$4,024	$2,506	$3,901	$4,713	$5,650	$6,722
Goods and Services	$33,515	$31,705	$34,022	$54,907	$56,005	$57,125	$58,268	$59,433
TOTALS	$62,707	$62,373	$65,609	$89,203	$94,142	$103,068	$113,146	$124,448

Table CR-2: Culture and Recreation Department Expenditure Projection Data

Summary of Workforce Expenditures

"The municipality is the tool for regulation of the quality of life within the community" (PA DCED Borough Council Handbook, 2000). As such, it is the Borough's responsibility to provide: public safety services, health and safety regulations and enforcement, street maintenance services, sewer and refuse collection services, and cultural and recreation areas (such as libraries, museums, and parks).

As was discussed in the previous sections, the Borough services responsibilities are divided among 4 main Departments by function: General Government Administration to include the administrative office of the Manager, Finance, and Tax Collection; Public Safety to include Police, Fire, and Codes; Public Works to include Streets and the Sewer Authority*; and Culture and Recreation.

**Note: The Sewer Authority revenues and expenditures are not a part of the Borough's General Fund Budget and are therefore not included within this Expenditure Analysis.*

The Borough currently employs the equivalent of 18 full-time and 15 part-time employees - listed according to department as follows:

General Government Administration
1-P-T Municipal Manager◇
1-P-T Municipal Office Secretary◇
1-P-T Finance Director◇

Public Safety
Police
1-F-T Chief
7-F-T Officers
4-P-T Officers
Fire
1-F-T Chief
4-F-T Firemen
5-P-T Firemen
5-Volunteers
Codes/Zoning
1-F-T Codes/Zoning Officer

Culture and Recreation
1-P-T Maintenance Worker◇

Public Services
Streets
1-P-T Director◇
4-F-T Driver/Laborers
1-P-T Driver Laborer◇
1-P-T Seasonal

◇Works full-time as a Borough employee but has split responsibilities between more than one department and is designated as part-time above; or has split responsibilities between the Borough and the Sewer Authority and is designated as a part-time employee above. However, these employees are full-time employees who receive healthcare and pension benefits.

The data contained in Table WF-1 on the next page aggregates the data discussed in the various sections of this expenditure analysis.

Wages and Salaries	2007	2008	2009	2010
General Government	$49,033	$53,231	$51,076	$46,490
Police	$498,959	$518,249	$546,861	$554,737
Fire	$287,560	$288,918	$305,168	$293,889
Codes	$57,261	$43,581	$39,651	$35,793
Streets	$225,994	$234,431	$236,476	$198,403
Parks	$21,750	$22,509	$23,192	$28,178
	$1,140,557	$1,160,919	$1,202,424	$1,157,490

Healthcare Benefits	2007	2008	2009	2010
General Government	$10,880	$15,732	$11,930	$11,215
Police	$112,178	$130,506	$131,706	$147,721
Fire	$74,785	$83,318	$81,307	$82,365
Codes	$12,883	$12,184	$11,074	$12,472
Streets	$64,848	$73,106	$74,941	$62,100
Parks	$3,502	$4,415	$4,371	$3,612
	$279,076	$319,261	$315,329	$319,485

Other Personnel Costs	2007	2008	2009	2010
General Government	$5,036	$6,316	$5,345	$4,550
Police	$15,075	$20,293	$21,428	$25,428
Fire	$15,744	$26,036	$28,649	$25,927
Codes	$4,962	$4,802	$3,851	$336
Streets	$15,037	$22,536	$22,593	$18,507
Parks	$2,940	$3,744	$4,024	$2,506
	$58,794	$83,727	$85,890	$77,254

Goods and Services	2007	2008	2009	2010
General Government	$207,881	$202,432	$195,468	$186,095
Police	$93,633	$89,429	$78,515	$153,132
Fire	$51,498	$47,329	$109,441	$77,279
Codes	$24,784	$8,485	$6,448	$15,689
Streets	$197,693	$232,901	$191,344	$210,697
Parks	$33,515	$31,705	$34,022	$54,907
	$609,004	$612,281	$615,238	$697,799

Pension Benefits	2007	2008	2009	2010
General Government	$42,360	$37,555	$23,950	$18,900
Police	$46,112	$46,335	$54,124	$67,326
Fire	$59,649	$57,193	$59,849	$70,235
Codes*	$0	$0	$0	$0
Streets*	$0	$0	$0	$0
Parks*	$0	$0	$0	$0
	$148,121	$141,083	$137,923	$156,461

	2007	2008	2009	2010
Wages and Salaries	$1,140,557	$1,160,919	$1,202,424	$1,157,490
Healthcare Benefits	$279,076	$319,261	$315,329	$319,485
Other Personnel Costs	$58,794	$83,727	$85,890	$77,254
Pension Benefits	$148,121	$141,083	$137,923	$156,461
Workmen's Compensation	$85,388	$75,122	$74,868	$63,367
Goods and Services	$609,004	$612,281	$615,238	$697,799
	$2,320,940	$2,392,393	$2,431,672	$2,471,856

Note: The figures as shown in the table represent aggregated data drawn from the Treasurer's Reports discussed in the various sections within this expenditures analysis; and in some cases, non-reoccurring expenditures haves been extracted to smooth the trend line.

Table WF-1: Summarized Totals by Department 2007-2010 (actual)

As shown in Table WF-2 and Graph WF-1, the expenditure trend for cost categories related to personnel indicates an increasing expenditure trend in 2008 and 2009 and a declining trend in 2010. The decline in 2010 is due to staffing changes (as discussed in

the preceding departmental sections) that ultimately affected expenditures (shaded in Table WF-2) in salaries and wages, healthcare benefit costs, other personnel costs, and workmen's compensation insurance costs.

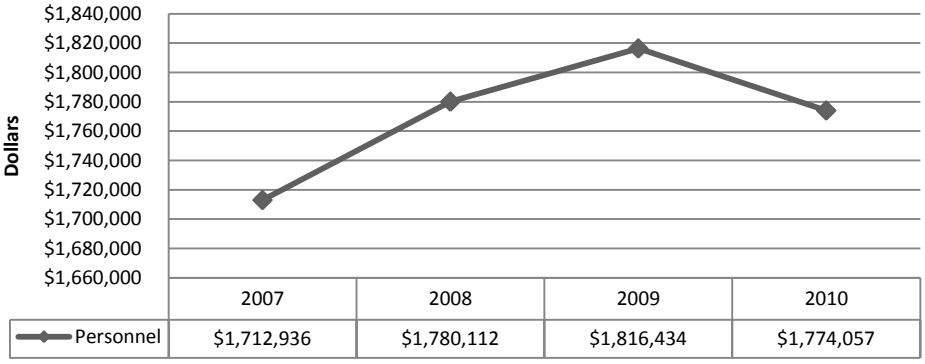
Use Categories	2007	2008	2009	2010
Wages and Salaries	$1,140,557	$1,160,919	$1,202,424	$1,157,490
Healthcare Benefits	$279,076	$319,261	$315,329	$319,485
Other Personnel Costs	$58,794	$83,727	$85,890	$77,254
Pension Benefits	$148,121	$141,083	$137,923	$156,461
Workmen's Compensation	$85,388	$75,122	$74,868	$63,367
	$1,711,936	$1,780,112	$1,816,434	$1,774,057

Table WF-2: Aggregated Personnel Associated Expenditures 2007-2010 (actual)

As discussed in the preceding departmental sections, the following staffing changes were made in 2010 that reduced the personnel associated expenditures total in 2010:

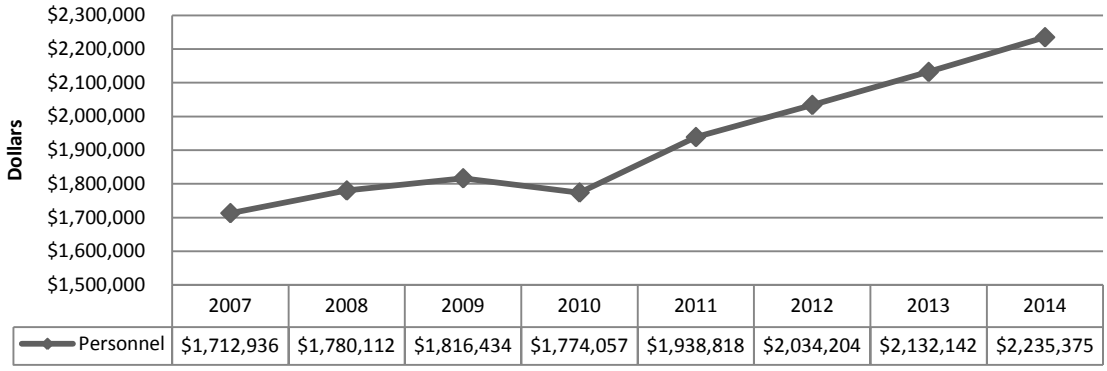
General Government Administration: 1/3rd of year without Municipal Manager
Fire Department: loss of 1 F-T position and 1 P-T position
Codes Department: reduction in administrative hours > reallocated to Sewer Authority
Public Works/Streets Department: loss of 2 F-T positions>replaced with 1 P-T position

The financial impacts of the staffing changes in 2010, as listed above, are shown in Graph WF-1 below.



Graph WF-1: Total Expenditures Trend 2007-2010

Although, there was a decline in expenditures in 2010 related to personnel costs, future costs are projected to increase beginning in year 2011. As a result, the staffing changes made in 2010 and the savings realized from those changes cannot offset the projected increases. Graph WF-2 below shows the trend for 2007-2010 (actual) and the 2011-2014 projected costs. Using 2010 (actual) as the base year, personnel costs are projected to increase by 26% between 2010 and 2014.



Graph WF-1: Total Expenditures Projection 2007-2010 (actual), 2011 (budgeted), and 2012-2014 (projected)

In order to balance future year budgets with revenues that are projected to increase by only 1% between the years of 2010-2014, the Borough must adopt and implement a plan to eliminate the 26% projected increase in personnel costs.

(Recommendation #106): The borough shall use professional assistance for labor negotiations. The borough shall retain an attorney with extensive experience in public employment labor relations for its collective bargaining activities beginning in 2011 for negotiations with the fire, police and public service unions. The borough has previously used Campbell, Durant, Beatty, Palombo and Miller, PC. Whether the borough continues to use or chooses another labor counsel, it shall use qualified labor counsel for all contract negotiations. In addition to using the counsel for support in collective bargaining, the borough shall also use the counsel to review past practices that unnecessarily increase the cost of operations and are permissive subjects for bargaining. The borough shall reinstitute its membership in the Pennsylvania League of Cities' Public Employer Labor Relations Advisory Service (PELRAS) in order to be eligible for reduced hourly rates for labor counsel. With the support of its labor counsel, the borough shall make every good faith effort to achieve negotiated labor agreements consistent with this plan.

(Recommendation #107): The borough shall limit new contract enhancements. Unless, and only to the extent that, applicable law requires a change in any of the wages, benefits, terms, provisions or conditions enumerated herein, all new labor agreements between the city and the unions representing its employees (whether resulting from collective bargaining between the parties or interest arbitration pursuant to Act 111 as applicable or otherwise) covering calendar years 2012 through 2014 and subsequent years (or any part thereof) <u>must not</u> contain, require or provide for any of the following:

- **a. any new overtime or premium pay benefits or requirements;**
- **b. any increase in existing overtime or premium pay benefits or requirements, nor the continuation of existing overtime and premium pay benefits and requirements which are modified by this Recovery Plan Amendment;**

c. **any increase in pay or benefits associated with new duties, changes in duties or activities required by this Recovery Plan Amendment;**

d. **any new benefits or improvements in existing benefits, nor the continuation of existing benefits which are modified by this Recovery Plan Amendment;**

e. **any new paid or unpaid leave;**

f. **any improvements to existing paid or unpaid leaves, nor the continuation of existing paid and unpaid leaves which are modified by this Recovery Plan Amendment;**

g. **any additional pay for time not worked;**

h. **any improvements in existing pay for time not worked, nor the continuation of existing pay for time not worked which is modified by this Recovery Plan Amendment;**

i. **any new designations that time not worked counts as time worked for the purpose of computing overtime or premium pay or increases in existing designations of same, nor the continuation of designations that time not worked counts as time worked for the purpose of computing overtime or premium pay which are modified by this Recovery Plan Amendment;**

j. **any new benefits for retirees or other inactive employees (e.g., those in layoff or disability status);**

k. **any improvements in existing benefits for retirees or other inactive employees, nor the continuation of existing benefits that are modified by this Recovery Plan Amendment;**

l. **any term or provision which continues any existing restrictions or which adds any new or additional restrictions on the borough's management rights,**

m. **any provision which impairs or restricts the borough's ability to engage qualified contractors to perform services for the borough, including services currently provided by bargaining unit personnel;**

n. **any provision which impairs or restricts the borough's ability to transfer service provision to another entity, including services currently provided by bargaining unit personnel;**

o. **any provision which restricts or impairs the borough's ability to effect lay off or other reduction in its workforce, including those that require part-time employees be laid off before any reductions in full time personnel can be made;**

p. **any provision which expands any arbitrator's authority to grant relief in any arbitration proceeding;**

q. **any provision which obligates the borough to promote or assign or to permit bumping of any employee on the basis of seniority, rather than on the basis of qualifications and performance, except to the extent that**

preference is accorded the most senior of those employees having relatively equal qualifications and performance histories;

r. any provision which restricts the borough's ability to require an employee to work a "light duty" position within that employee's medical restrictions, and in any department or bargaining unit within the borough;

s. any provision obligating the borough to provide "light duty" to any employee who is unable to perform the essential functions of his or her job, with or without reasonable accommodation and without posing a direct threat to the health or safety of the employee or others;

t. any provision which expands the bargaining unit employees' rights to present grievances to the borough or to appeal grievances to arbitration;

u. any provisions which provide any pay or other compensation to any employee for: 1) any exercise by the borough of any of the above rights; or 2) the inclusion of any of the above provisions in any collective bargaining agreement; or 3) the implementation of any of the above provisions; or 4) the implementation of any of the initiatives in this Recovery Plan Amendment;

v. any requirement for the borough to provide wages, benefits, or other terms of employment to any bargaining unit based on the provision of such wages, benefits, or other terms of employment to another bargaining unit.

(Recommendation #108): The borough shall ensure that future collective bargaining agreements remain compliant with the Revised Recovery Plan and its Amendment(s). No person or entity, including (without limitation) the borough, any union representing borough employees and any arbitrator pursuant to Act 111 or otherwise, shall continue in effect past the state expiration date of any current labor agreement the wages, benefits or other terms and conditions of the existing labor agreement if such wages and benefits or other terms or conditions are inconsistent with the initiatives made herein. All collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment must be effective as of the current expiration date of the current agreements and interest arbitration awards. This shall apply even if the agreement is entered into or the arbitration award is executed subsequent to the effective dates, thus requiring that the agreements or awards retroactive. No collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment may extend the current expiration dates of the existing agreements and awards. Specifically, these dates are as follows:

Union Agreement	Current Expiration Date	Effective Date of Subsequent Agreement
Greenville/West Salem Police Department	12/31/2011	January 1, 2012
American Federation of State, County and Municipal Employees, AFL-CIO, District Council 85, Local 2778	12/31/2011	January 1, 2012
Greenville Borough Firefighters, IAFF Local 1976	12/31/2011	January 1, 2012

The borough shall take all steps to promptly bargain new collective bargaining agreements and shall follow all time limits for interest arbitration so that any interest award shall be issued prior to the expiration of the collective bargaining agreement. Until the initiatives in this section of the Recovery Plan Amendment are revised, any labor agreement between the borough and any union representing borough employees (whether resulting from collective bargaining, interest arbitration pursuant to Act 111 or otherwise) covering such subsequent period shall comply with the initiatives made herein without regard to the period of agreement specified in any initiative.

(Recommendation #109): Effective 1/1/2012, implement a three-year wage and step freeze for all full and part time union and non-union employees.

(Recommendation #110): Effective 1/1/2012, establish a permanent two-tier wage/salary scale for all new part time and full time employees with a 10% wage/salary differential for all job classifications.

(Recommendation #111): Effective 1/1/2012, freeze longevity pay and eligibility for longevity payments. -- Longevity payment schedules are frozen for all full time employees at the years OF service and rates stipulated in the collective bargaining agreements for years 2009 – 2011. Those hired after 1/1/2012 shall not be entitled to a longevity payment for the duration of their employment.

(Recommendation #112): For employees who actually work holidays, holiday pay will be no greater than time and one-half the normal rates of compensation for their respective positions.

(Recommendation #113): Overtime pay thresholds for all personnel to be adjusted to reflect hours actually worked.

(Recommendation #114): Freeze vacation leave for existing employees. Create uniform vacation schedule for new hires effective 1/1/2012 with four weeks (20 days) being the maximum vacation benefit for those with 16 or more years of service. (1 –

5 years = 1 week, 6 – 10 years = 2 weeks, 11 – 15 years = 3 weeks, over 15 years = 4 weeks)

(Recommendation #115): Redefine sick leave, short term disability, and sick leave incentive programs to provide reasonable coverage for non-work related short term illness or disability and shared responsibility for the cost. This will require establishing consistency across the employee groups for the accumulation of sick days on an annual basis and incrementally increasing waiting periods to 45 days before short term disability insurance applies and the transfer of the cost of the premium for short term disability insurance to the employee. Buy backs of unused sick days at upon voluntary separation, resignation or retirement will be limited to 45 days at a rate of $30 per day.

(Recommendation #116): Redesign active employee medical, vision and dental insurance by increasing the deductible to $1500 for single coverage and $3000 for family coverage, raising the employee contributions to the cost of the medical, vision and dental insurance premiums from 5% to 10% in 2012, 10% to 15% in 2013, and 15% to 25% in 2014, and establishing employee funded Health Savings Accounts (HSAs) .

(Recommendation 117): For all employees hired prior to 12/31/2011 and eligible for retiree health care benefits who retire after 12/31/2011, contain current post-retirement medical, vision and dental insurance costs by establishing a $1500 single coverage deductible and requiring retirees to contribute to the annual cost of their medical, vision and dental insurance premium on a basis comparable to the contributions made by active borough employees; 10% of the cost of the premium in 2012, 15% in 2013 and 25% in 2014. Retiree health care benefits shall not exceed those they received as an active employee prior to retirement. Retirees may be retained in the same plan in which they were a member prior to retirement.

(Recommendation #118): Effective 1/1/2012, eliminate post-retirement health care or in lieu payments for any and all new hires.

(Recommendation #119): Effective 1/1/2012, eliminate the allocation of excess interest earnings in the uniformed and non-uniformed personnel pension plans to employees. The borough shall establish an Other Post Employment Benefits (OPEB) trust fund with the excess interest revenues to offset the annual expense of retiree health insurance costs previously granted to police and fire personnel. If necessary, additional funds from the general fund shall be allocated on an annual basis to cover the cost of post retirement insurance benefits.

(Recommendation #120): Effective 1/1/2012, there will be no compensation paid for employees to attend union meetings.

(Recommendation #121): Effective 1/1/2012, borough personnel will no longer be paid a shift differential.

(Recommendation #122): Effective 1/1/2012, borough personnel will be limited to taking the equivalent of one week of vacation in one day increments with the department supervisor's permission.

(Recommendation #123): Re-organize the supervisory responsibilities of the police and fire departments by creating a public safety director's position to manage and supervise the daily operations of the police and fire departments. The position of public safety director shall replace the positions of police chief and fire chief.

(Recommendation #124): Scheduling – Fire and Police schedules will be in conformance with FLSA's section 207(k) partial exemption from overtime provision. The borough retains the right to determine the basis of the "work period" for scheduling purposes for all personnel.

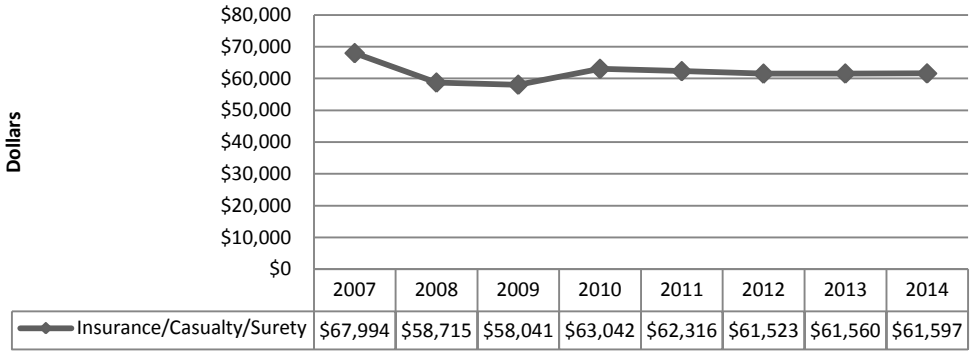
(Recommendation #125): Effective 1/1/2012, eliminate the 40% of full-time hours worked limitation on the use of part-time employees in the fire and police department.

(Recommendation #126): Part-time Public Safety Personnel – The borough will recruit, train, and maintain a sufficient corps of part time personnel to minimize and/or eliminate the use of non-emergency overtime in the police and fire departments on an annual basis.

(Recommendation #127): Position Vacancies - Positions vacated through the retirement, voluntary or involuntary separation of full-time personnel shall not be filled without the approval of the Act 47 Coordinator.

Insurance, Casualty, Surety Expenditures

Insurance, casualty and surety expenditures include all expenses related to insuring the Borough's real estate and liability insurance.



	2007	2008	2009	2010	2011	2012	2013	2014
Insurance/Casualty/Surety	$67,994	$58,715	$58,041	$63,042	$62,316	$61,523	$61,560	$61,597

Graph ICS-1: Insurance, Casualty and Surety Expenditures 2007-2010 (actual), 2011 (budgeted), 2012-2014 (projected)

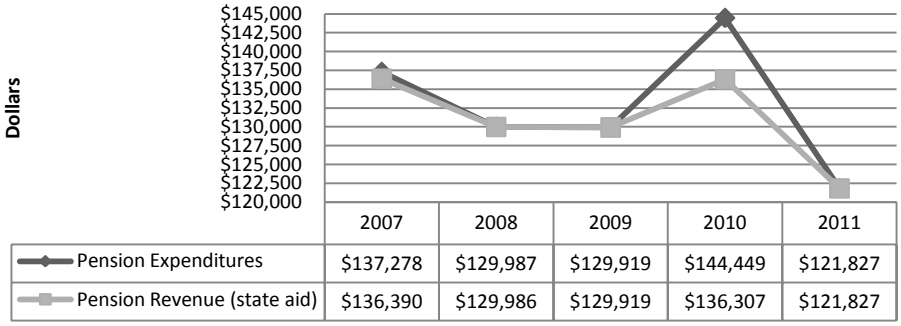
The expenditure trend in Graph ICS-1 indicates a $9,000 reduction in rates in 2008, a small reduction in 2009 and a $5,000 increase in 2010.

Pensions Benefits

The Borough participates in the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer defined benefit pension plan that covers all full-time (uniform and non-uniform) employees and provides retirement, disability and death benefits to plan members and their beneficiaries.

As a participant of PMRS, the Borough per PA Act 205 receives a biennial actuarial valuation for each of the three participating plans (Non-uniform Pension Plan, Police Pension Plan and Fire Pension Plan).

The Borough's Pension Plans are funded by an annual expenditure from the General Operating Fund and annual state pension funding assistance. During the years 2007-2010, the Borough received a total of $654,429 in state pension funding assistance. The total cost to the Borough to fund the pensions for those years was $663,460.



Graph PB-1: Pension Expenditures vs. Pension Revenues (state aid) 2007-2010 (actual) 2011 (budgeted)

The aggregate funding level for the Borough's Pension Plans was 106.14% as of January 1, 2009.

As shown in the data table below, the Borough's pension fund assets for the non-uniform (116.97%) and police (105.38%) pensions are greater than their liabilities (the amount needed to pay benefits to all currently active and retired employees). The Borough's fire pension fund assets (96.07%) are about 4% less than the total accrued liabilities.

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Non-Uniform	1/1/2009	$2,867,409	$2,451,448	$(415,961)	116.97%
Police	1/1/2009	$6,127,275	$5,814,465	$(312,810)	105.38%
Fire	1/1/2009	$2,358,861	$2,455,410	$96,549	96.07%
		$11,353,545	$10,721,363	$(632,222)	106.14%

Table PB-1: Pension Actuarial data as of 1/1/2009

Non-uniform Pension Plan

The Non-uniform Pension Plan is funded on an annual basis pursuant to the provisions of the Municipal Pension Plan Funding Standard and Recovery Act of December 18, 1984, P.L. 1005. No. 205, as amended, 53 P.S. 895, et seq. ("Act 205").

Active members are required to contribute 3% of their annual compensation to the plan. Act 205 requires that annual employer contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation.

The plan is typically eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program; which must be used to reduce or eliminate the required municipal contribution.

Any non-union full-time employees of the Borough are eligible to join the plan. Vesting is attained after 10 years of service. Normal retirement age is 62. Annual pension benefits are determined by multiplying years of credited service times the final salary times one and six hundred sixty-seven thousandths percent (.01667). A member's final average salary is calculated as the average annual compensation paid during the member's last three years of service. In no event is the basic retirement benefit more than 75% of the final salary.

A participant may retire early if he/she is involuntarily terminated with eight (8) or more years of credited service or voluntarily leaves employment with at least twenty (20) years of credited service. If an early retirement is elected, the monthly benefit will be actuarially reduced for each year prior to normal retirement age. The reduction will be approximately one-half percent (1/2%) of the benefit for each month under normal retirement age. At retirement, participants have a choice of four differing survivor benefits options.

If a participant becomes totally and permanently disabled and the disability is determined to be service related, the participant is entitled to receive a monthly benefit. The scheduled benefit is 50% of the member's final salary and may be off-set by Worker's Compensation Benefits. A participant who has ten (10) or more years of credited service and is disabled not due to a service related accident or sickness may receive 30% of the member's final salary. If a member is eligible for retirement at the time of death, a lump-sum benefit of the accrued member's benefit will be provided.

As of January 1, 2009, the investment interest rate on employee contributions was 6%. As of May 1, 2011, the Non-uniform Pension Plan had 32 members: 16 active, 5 vested, and 9 retired.

As shown in the data table below, the Borough's non-uniform pension fund assets increased from 2005-2009; as of January 1, 2009, the non-uniform pension assets were greater than the liability with a funding ratio of 116.97%.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
1/1/2009	$2,867,409	$2,451,448	$(415,961)	116.97%
1/1/2007	$2,452,271	$2,289,133	$(163,138)	107.13%
1/1/2005	$2,168,313	$2,079,011	$(89,302)	104.30%

Source: 2009 Audit

Table PB-2: Non-uniform Pension Actuarial Data as of 2009

Police Pension Plan

The Police Pension Plan is funded on an annual basis pursuant to the provisions of the Municipal Pension Plan Funding Standard and Recovery Act of December 18, 1984, P.L. 1005. No. 205, as amended, 53 P.S. 895, et seq. ("Act 205") and the Police Pension Fund Act of May 29, 1956, P.L. (195) 1804 No. 600 as amended, 53 P.S. 767, et. seq. ("Act 600").

Plan members are responsible for contributing up to 5% of their earnings to the plan but currently are not required to contribute to the plan due to the plan's funding status. Act 205 requires that annual employer contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation.

The plan is typically eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program; which must be used to reduce or eliminate the required municipal contribution.

Any individual employed by the Borough as a member of the Borough's police force is covered by the plan beginning on the participant's date of hire. A member is entitled to receive retirement benefits after completing 12 years of service and attaining age 50. The scheduled retirement benefit is .02 times years of credited service times the final average salary. The final average salary is calculated as the average annual compensation paid during the members' last three years. In no event is the benefit greater than 50% of the final average salary.

Members with more than 25 years of credited service are entitled to a service increment. The service increment is calculated by multiplying the credited whole years in excess of 25 years times two and five-tenths percent (.025) times the basic annual benefit. In no event may the service increment benefit exceed twelve hundred dollars ($1,200) per year.

If a participant becomes totally and permanently disabled and the disability is determined to be service-related, the participant is entitled to receive a monthly benefit. The

scheduled benefit is 50% of the member's final salary and may be off-set by Worker's Compensation Benefits. A participant who has 10 or more years of credited service and is disabled not due to a service-related accident or sickness may receive 30% of the member's final salary. If a member is eligible for retirement at the time of death, a lump-sum benefit of the accrued benefit will be provided.

As of January 1, 2009, the investment interest rate on employee contributions was 6%. As of May 1, 2011, the Police Pension Plan had 22 members: 9 active, 0 vested, and 10 retired.

As shown in the data table below, the Borough's police pension fund assets showed an overall increase from 2005-2009 with a slight decrease in 2007. As of January 1, 2009, the police pension assets were greater than the liability with a funding ratio of 105.38%.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
1/1/2009	$6,127,275	$5,814,465	$(312,810)	105.38%
1/1/2007	$5,662,157	$5,208,033	$(454,124)	108.72%
1/1/2005	$5,793,489	$5,342,655	$(450,834)	108.44%

Source: 2009 Audit

Table PB-3: Police Pension Actuarial Data as of 2009

Fire Pension Plan

The Fire Pension Plan is funded on an annual basis pursuant to the provisions of the Municipal Pension Plan Funding Standard and Recovery Act of December 18, 1984, P.L. 1005. No. 205, as amended, 53 P.S. 895, et seq. ("Act 205").

Active members are required to contribute 4% of their annual compensation to the plan. Act 205 requires that annual employer contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation.

The plan is typically eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program; which must be used to reduce or eliminate the required municipal contribution.

Any individual employed by the Borough as a member of the Borough's fire department is covered by the plan beginning on the participant's date of hire. A member is entitled to receive retirement benefits after completing 10 years of service and attaining age 50; or the completion of 25 years of service, regardless of age. Annual benefits are determined by multiplying years of credited service times the final salary time two and twenty-five hundredths percent (.0225). The final average salary is calculated as the average annual

compensation paid during the members' last three years. In no event is the benefit great than 50% of the final average salary.

Retired members receive cost-of-living increases equal to the Consumer Price Index adjusted from the date of their retirement. In no event does the increase exceed the percentage increase in the Consumer Price Index, nor may it cause the total annual benefit to exceed 75% of their final salary, nor may the total of the cost-of-living increase exceed 30% of the original benefit.

If a participant becomes totally and permanently disabled and the disability is determined to be service-related, the participant is entitled to receive a monthly benefit. The scheduled benefit is 50% of the member's final salary and may be off-set by Worker's Compensation Benefits. A participant who has 10 or more years of credited service and is disabled not due to a service-related accident or sickness may receive 30% of the member's final salary. If a member is eligible for retirement at the time of death, a lump-sum benefit of the accrued benefit will be provided.

As of January 1, 2009, the investment interest rate on employee contributions was 6%. As of May 1, 2011, the Fire Pension Plan had 11 members: 5 active, 0 vested, and 5 retired.

As shown in the data table below, the Borough's fire pension fund assets showed an overall increase from 2005-2009 with a slight decrease in 2007. As of January 1, 2009, the fire pension liabilities were greater than the assets with a funding ratio of 96.07%. The funding ratio has continued to decline since January 1, 2005; which means there is an increasing deficit in the funding capabilities of the plan. In 2011, according to PMRS, the unfunded liability in the fire pension plan is approximately $92,000.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
1/1/2009	$2,358,861	$2,455,410	$96,549	96.07%
1/1/2007	$2,188,814	$2,310,510	$121,696	96.73%
1/1/2005	$2,210,848	$2,277,676	$66,828	97.07%

Source: 2009 Audit

Table PB-4: Fire Pension Actuarial Data as of 2009

Excess Interest Allocations

Current police and fire collective bargaining agreements indicate that any interest earned in excess the anticipated (6%) should be allocated to the plan members or to fund the borough's MMO. In recent years, the excess interest has been used to partially fund the unfunded liability in the fire pension fund. In the last year, about $22,000 in excess interest was allocated to the police pension plan members.

Effective January 1, 2012, the Borough shall eliminate the allocation of excess interest earnings in the uniformed and non-uniformed personnel pension plans to employees. The Borough shall establish an Other Post Employment Benefits (OPEB) trust fund with the excess interest revenues to offset the annual expense of retiree health insurance costs previously granted to police and fire personnel. If necessary, additional funds from the general fund shall be allocated on an annual basis to cover the cost of post retirement insurance benefits [Recommendation #119].

Post-employment Benefits (PEBs)

The Borough also provides police and fire retirees with healthcare benefits. The current combined coast for police and fire retirees is approximately $35,000. No reserves have been established to fund future obligations for healthcare (post-retirement benefits); instead, the Borough funds the post-retirement healthcare benefits on a pay-as-you-go basis.

In 2004, the Government Standards Accounting Board (GASB) issued Statement 45 (GASB 45) requiring local governments to begin treating post-employment benefit costs as liabilities in financial reporting by the end of 2008; but according to GASB 45 are not required to pre-fund post-retirement benefits. In other words, local governments are expected to treat post-employment benefits in financial reporting in the same manner as pensions are reported; and it is implied that eventually local governments should begin to pre-fund post-employment benefits through a Voluntary Employee Benefits Association (VEBA) or other trust account(s).

In reviewing the most recent Audit Report available (2009), the Audit Report does not provide an accounting of the post-retirement benefits as a liability per the requirements of GASB 45. It is probable that the post-retirement benefits are not accounted for in the Borough's Audit Report because they are funded by the General Operating Fund.

Debt Service Expenditures

General Fund (GF) Debt Service expenditures include all expenses related to the Borough's short-term and long-term debt obligations that are paid out of the general governmental operating fund. These GF debt service obligations are funded by a 10 mill special levy real estate tax.

On December 31, 2004, the Borough had over $4.6 million in general fund outstanding debt; with projected debt service payments in excess of $3.9 million for the years 2005-2014. At the end of 2014, it is projected that the Borough will have over $2.5 remaining in general fund outstanding debt.

In 2005, the Borough refunded a 2000 Series general obligation bond. According to the 2005 audit document:

> "The purpose for refunding the bonds was to reduce the interest rate and to defer the principal payment due for 2005 to future years. In refunding the debt, the Borough incurred and additional $125,000 in debt less the bond discount of $41,437. The remaining bond amount of $273,563 was used to pay the bond issues costs of $170,435 and accrued interest in the amount of $103,128. The additional debt will be offset by the reduction in interest payments."

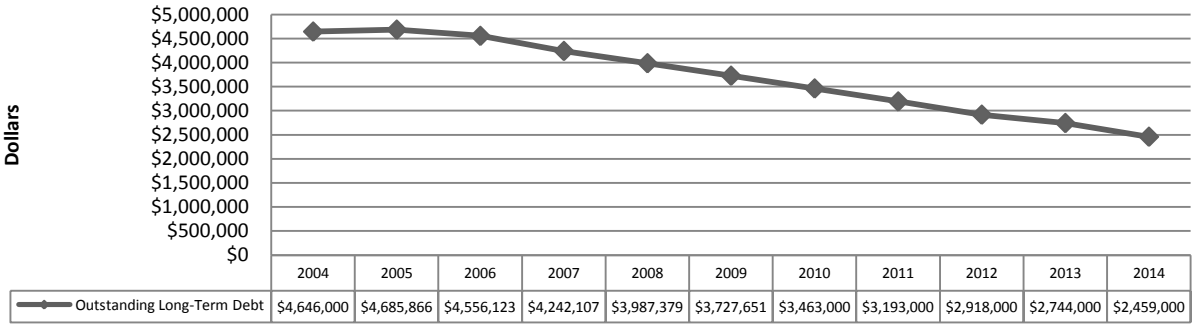
In 2004, the Borough paid-off two capital improvement loans in the amount of $132,000. In 2005, the Borough assumed additional capital debt for the Borough's administrative computer systems in the amount of $27,591. Also in 2005, the Borough restructured the general obligation debt by paying-off the 2000 Series General Obligation Bond with the 2005 Series General Obligation Bond. In 2006, the capital debt for the computer systems was paid.

Based upon: a) retired debt since 2004; b) bond refunding savings; and c) the repayment schedule for general obligation debt (Table GS-1), Graph DS-1 below, indicates the debt service trend for years 2004-2010 (actual) and 2011-2014 (planned).

Outstanding Long-Term Debt	2004	2005	2006	2007	2008	2009	2010
1996 Cap Imp Loan	$72,000	$0	$0	$0	$0	$0	$0
1999 Cap Imp Loan	$60,000	$0	$0	$0	$0	$0	$0
1999 Fire Truck Loan	$130,000	$117,000	$104,000	$0	$0	$0	$0
2000 Gen Obligation Bond	$3,430,000	$3,745,000	$0	$0	$0	$0	$0
2005 Gen Obligation Bond	$0	$0	$3,740,000	$3,645,000	$3,495,000	$3,340,000	$3,180,000
DCED Recovery Loan	$594,000	$528,000	$462,000	$396,000	$330,000	$264,000	$198,000
DCED Recovery Loan	$360,000	$320,000	$280,000	$240,000	$200,000	$160,000	$120,000
Capital Lease (computers)	$0	$17,303	$10,288	$0	$0	$0	$0
Bond Discount	$0	-$41,437	-$40,165	-$38,893	-$37,621	-$36,349	-$35,000
Outstanding Debt TOTAL	$4,646,000	$4,685,866	$4,556,123	$4,242,107	$3,987,379	$3,727,651	$3,463,000

Note: The figures as shown in the table above do not include the debt incurred in 2011.

Table DS-1: GF Debt: Loans and Bonds



Notes: The trend as shown in the table above does not include accrued debt for personnel compensated absences or the debt incurred in 2011.

Graph DS-1: Outstanding Long-Term Debt (2004-2014)

The total amount for the 2005 Series general obligation bonds in 2005 was $3,745,000. The principal and interest payment schedule is as follows

Year	P/I	Interest Rate
2005	$ 81,122	2.85%
2006	$153,929	2.92%
2007	$242,480	3.07%
2008	$293,815	3.25%
2009	$294,048	3.38%
2010	$289,010	3.53%
2011	$288,693	3.67%
2012	$292,872	3.80%
2013	$286,668	3.90%
2014	$290,103	3.90%
2015	$288,075	4.00%
2016	$285,526	4.28%
2017	$287,433	4.28%
2018	$288,925	4.28%
2019	$290,003	4.28%
2020	$285,769	4.28%
2021	$285,930	4.52%
2022	$285,370	4.52%
2023	$284,370	4.52%
2024	$282,930	4.52%
2025	$281,050	4.52%
Total 2005 -2025:	$5,658,117	

Table GS-1: General Obligation Debt Service Payment Schedule

Currently, the Borough maintains three debt obligations (not including accrued debt for compensated absences): a general obligation bond that was issued in 2005, and two zero-interest Act 47 loans due to be paid-off in 2014. The current balance (as of December 31, 2010) for the 2005 Bond series debt was $3,180,000 and the current balance due to the PA Department of Community and Economic Development for the two Act 47 loans was $318,000.

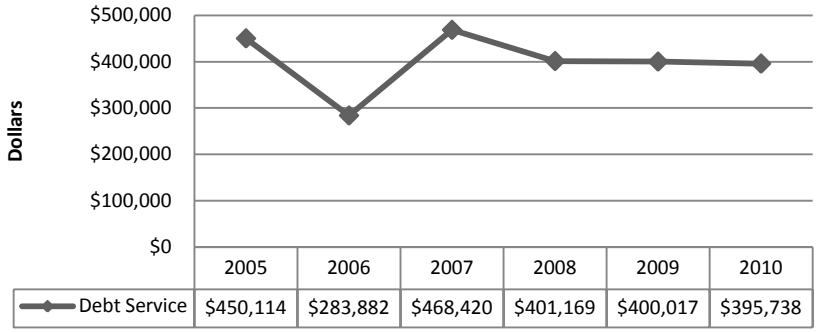
In addition to the three general obligations named above, the Borough in the first half of 2011 incurred additional debt in the amount of $89,445 to purchase a 2007 refurbished Tymco Street Sweeper and an additional approximate $90,000 to lease three police cruisers over a period of three years.

The debt payment arrangements for the 2007 Tymco are as follows:

- The Tymco will be leased over a period of five years.
- The annual payment (2012-2016) will be approximately $17,889; with the first payment of $10,641 due in 2012.
- The former sweeper was auctioned and the Borough received $7,248 in proceeds from the sale.
- The $7248 will be reserved as capital until 2012 to offset the debt payment in 2012 ($17,889-$7248=$10,641)

The exact leasing arrangements and the total debt and annual debt payments for the three police cruisers is unknown at this time; however, it is estimated that the annual debt payment for the three police cruisers will be approximately $30,000 (at a minimum) for years 2012, 2013, and 2014.

In 2006, the Borough's total debt service expenditures decreased due to the refunding of the 2000 bonds and the restructuring of the debt with the 2005 general obligation bonds. In 2007, debt service expenditures increased and then stabilized in the years 2008-2010 (see Graph DS-2).



Note: The trend as shown in the graph above does not include the debt incurred in 2011.

Graph DS-2: Total GF Debt Service Expenditures 2005-2010

Table DS-3 indicates the amount of debt principal and interest that has been paid beginning in 2005 through 2010; and the amount that is scheduled to be paid in 2011-2014.

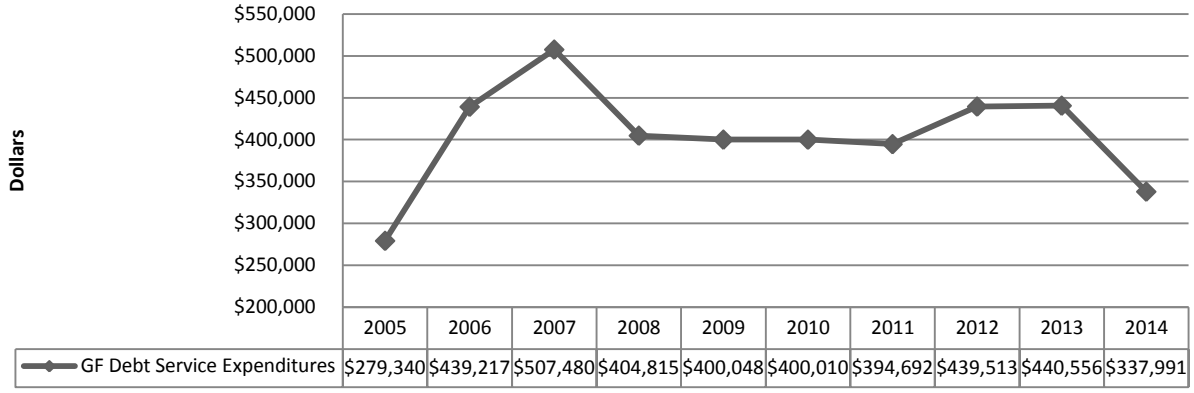
GF Debt Service Expenditures	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1996 Capital Improvement Loan	$36,000	$36,000								
1999 Capital Improvement Loan	$30,000	$30,000								
1999 Fire Truck Loan	$13,000	$13,000	$104,000							
Capital Lease	$13,218	$10,288								
Debt Principal (Bond Issue)	$81,122	$95,000	$150,000	$155,000	$155,000	$160,000	$160,000	$170,000	$170,000	$180,000
Debt Interest (Bond Issue)		$148,929	$147480	$143,815	$139,048	$134,010	$128,692	$122,872	$116,667	$110,102
Act 47 Loan	$66,000	$66,000	$66,000	$66,000	$66,000	$66,000	$66,000	$66,000	$66,000	$0
Act 47 Loan	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$0
Tymco Sweeper								$10,641	$17,889	$17,889
Police Vehicle Lease*								$30,000	$30,000	$30,000
TOTAL	$648,332	$479,170	$678,420	$507,169	$506,017	$501,738	$394,692	$439,513	$440,556	$337,991

Note: *Approximate Payments

Table DS-3: GF Debt Service Expenditures 2005-2014

The trend in Graph DS-3 represents the expenditures for debt service in 2005-2010 (actual) and 2011-2014 (scheduled). The decline in 2005 represents the savings that was realized by refunding the 2000 Bond Series. The steep increase in 2006 represents the first payment due on the 2005 Bond Series. In 2007, expenditures increased again due to

the pay-off of the 1999 Fire Truck) from designated capital reserve monies). In 2008-2011, the trend stabilizes and in 2012 and 2013 expenditures increase due to the first payment due for the Tymco Sweeper and the lease agreement for three police cruisers. In 2014, the trend declines when the two Act 47 loans are paid-in-full in 2013.



Graph DS-3: GF Debt Service Expenditure Trend 2005-2014

The debt service millage rate was set at 10 mills in 2007 and has remained at 10 mills through 2011. Table DS-4 shows the amount of revenues that have been received for debt service in years 2007-2010 from real estate tax revenues (current year, prior year. and delinquent). Years 2011 through 2014 as shown in the table below are the projected debt service revenues. In addition, beginning in year 2008 through 2013, $70,000+ annually has been designated in the Borough's capital reserve fund, to assist in making the debt service payments annually.

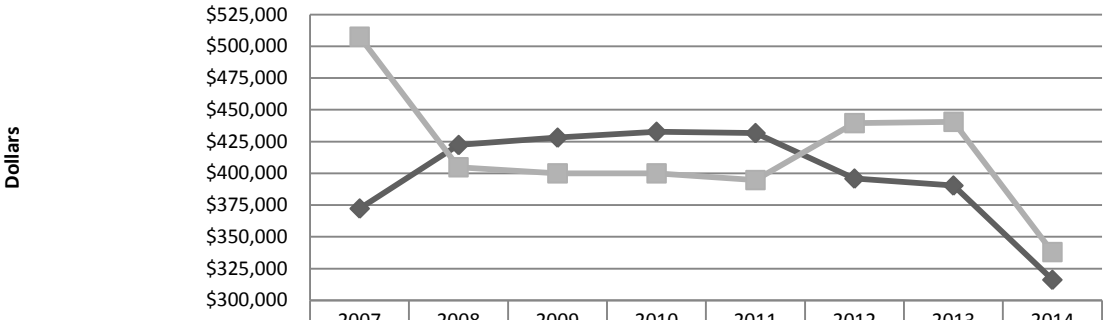
As in indicated in the table below, there was a deficit in debt service revenues compared to debt service expenditures in 2007. In 2008-2010 and 2011 as budgeted, there will be an excess in revenues allocated for debt service expenditures. In 2012-2014, there will be a deficit once again debt service revenues will be insufficient to cover the debt service payments.

	2007	2008	2009	2010	2011	2012	2013	2014
RE Current Debt Revenue	$328,837	$317,752	$306,671	$308,741	$303,855	$298,675	$292,711	$289,763
RE Prior Debt Revenue	$16,483	$11,390	$12,734	$14,355	$15,000	$13,000	$12,750	$12,875
RE Delinquent Debt Revenue	$27,035	$17,217	$32,731	$38,681	$25,000	$13,237	$13,993	$13,615
RE Debt Service Tax Revenues TOTAL	$372,355	$346,359	$352,136	$361,777	$343,855	$324,912	$319,454	$316,253
Debt Service Reserve	$0	$76,000	$76,000	$71,000	$70,700	$71,000	$71,000	$0
Debt Service Tax Revenues + Debt Service Reserve TOTAL	$372,355	$422,359	$428,136	$432,777	$414,555	$395,912	$390,454	$316,253
Debt Service Expenditure	$507,480	$404,815	$400,048	$400,010	$394,692	$439,513	$440,556	$337,991
TOTAL	-$135,125	$17,544	$28,088	$32,767	$19,863	-$43,601	-$50,102	-$21,738

Table DS-4: Debt Service Revenues less Debt Service Expenditures 2007-2010 (actual) and 2011(budgeted), 2012-2014 (scheduled/projected)

Note: Debt Service Expenditure as shown in the table above does not include the recently incurred debt in 2011 for the Tymco Sweeper and the Vehicle Lease for 3 Police Cruisers.

Graph DS-4 indicates the debt service revenues compared to the debt service expenditures as outlined in Table DS-4.



	2007	2008	2009	2010	2011	2012	2013	2014
Debt Service Revenues	$372,355	$422,359	$428,136	$432,777	$431,757	$395,912	$390,454	$316,253
Debt Service Expenditures	$507,480	$404,815	$400,048	$400,010	$394,692	$439,513	$440,556	$337,991

Graph DS-4: Debt Service Revenues vs. Debt Service Expenditures 2007-2010 (actual) and 2011-2014 (scheduled/projected)

Given the current interest climate, Council may wish to investigate the refunding of the 2005 Series bonds in 2011 to determine whether future debt service expenditures can be reduced.

In moving toward fiscal distress designation rescission, the Borough must reduce its annual general fund debt service for general obligation and lease rental debt to 10% of the total annual revenues of the general operating fund budget as a pre-requisite for the rescission of the Act 47 fiscal distress designation [Recommendation #76].

Expenditure Summary with Projections[1]

Within the preceding section, expenditures have been examined using two methods for examination: a) by categorical use, and b) by department and other uses.

The Categorical USE expenditures are separated as follows:

Expenditures by USE	2007	2008	2009	2010	2011	2012	2013	2014
Goods and Services	$609,004	$612,281	$615,238	$697,799	$653,722	$666,796	$680,128	$693,730
Salaries and Wages	$1,141,557	$1,160,919	$1,202,424	$1,157,490	$1,215,610	$1,263,000	$1,306,729	$1,352,564
Healthcare Benefits	$279,076	$319,261	$315,329	$319,485	$369,347	$409,344	$455,759	$505,076
Other Personnel Costs	$144,182	$158,849	$160,758	$140,621	$220,237	$228,235	$236,029	$244,112
Pension Benefits	$148,121	$141,083	$137,923	$156,461	$133,624	$133,624	$133,624	$133,624
Debt Service	$507,480	$404,815	$400,048	$400,010	$394,692	$439,513	$440,556	$337,991
Insurance/Casualty/Surety	$67,994	$58,715	$58,041	$63,042	$62,316	$61,523	$61,560	$61,597
TOTAL	$2,897,414	$2,855,923	$2,889,761	$2,934,908	$3,049,548	$3,202,036	$3,314,386	$3,328,693

Table ES-1: Expenditures by Categorical Use 2007-2010 (actual) and 2011 (budgeted) 2012-2014 (projected)

[1] Projection methods are provided in the Technical Appendix.

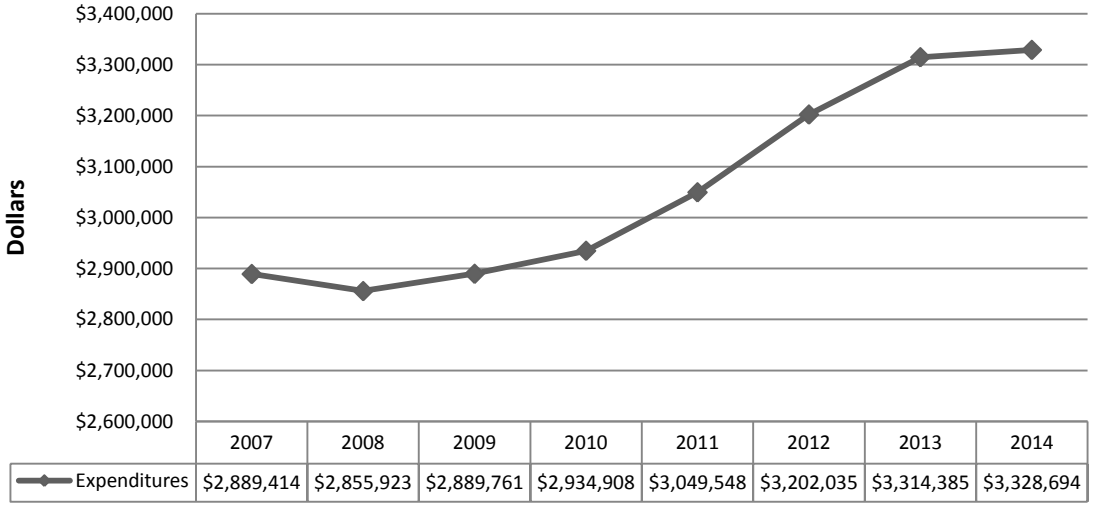
The by department and other uses method separates expenditures as follows:

Expenditures by Department and Other Uses	2007	2008	2009	2010	2011	2012	2013	2014
General Government	$315,190	$315,266	$287,769	$267,250	$294,608	$309,310	$319,589	$330,293
Police Department	$765,957	$804,812	$832,634	$948,344	$981,131	$1,013,966	$1,048,244	$1,083,865
Fire Department	$489,236	$502,794	$584,414	$549,695	$557,077	$574,754	$593,343	$612,657
Codes/Zoning Department	$99,890	$69,052	$61,024	$64,290	$83,814	$94,232	$107,253	$121,088
Public Works/Street Department	$503,572	$562,974	$525,354	$489,707	$517,703	$539,108	$561,829	$585,472
Culture/Recreation Department	$62,707	$62,373	$65,609	$89,203	$94,142	$103,068	$113,146	$124,448
Debt Service	$507,480	$404,815	$400,048	$400,010	$394,692	$439,513	$440,556	$337,991
Workmen's Compensation	$85,388	$75,122	$74,868	$63,367	$64,065	$66,563	$68,867	$71,283
Insurance: Casualty & Surety	$67,994	$58,715	$58,041	$63,042	$62,316	$61,523	$61,560	$61,597
TOTAL	$2,897,414	$2,855,923	$2,889,761	$2,934,908	$3,049,548	$3,202,036	$3,314,386	$3,328,693

Table ES-1: Expenditures by Categorical Use 2007-2010 (actual) and 2011 (budgeted) 2012-2014 (projected)

Note: Revenues and Expenditures as provided in this analysis cannot be subtracted to obtain an excess/deficit value in any given year. The revenues as discussed include only reoccurring revenues; wherein non-reoccurring revenues (such as capital monies for Streetscape Phases and the Borough's Public Works Garage) have been extracted.

As is shown in Graph ES-1, the Borough's total expenditures decreased in 2008 when compared to 2007; and increased in 2009 and 2010. Projected expenditures 2011-2014 are expected to increase steadily beginning in 2011 through 2013 and level-off in 2014. The leveling in 2014 is a result of the decrease in debt service at 2013 end with the pay-off of two Act 47 Loans. Although not shown in this analysis, expenditures in 2015 will again increase at an average rate as shown from year to year for 2010-2013.



Graph ES-1: Expenditure Trend 2007-2010 (actual) and 2011-2014 (projected)

The expenditure trend increases as shown in Graph ES-1 for years 2011-2014 are mainly attributed to projected increases in salaries and wages (see Table ES-1) and Other Personnel Costs that are based on salary projections.

The Borough expenditures for health care costs have been moderated by changes in staffing; specifically by reducing the number of full-time personnel and increasing the number of part-time personnel.

As shown in Table ES-1, no projection for pension benefit is provided due to the unavailability of pension actuary data for the years 2012-2014.

During 2007-2009, expenditures for Goods and Services increased only minimally and were probably due to inflationary effects. In 2010, there was an increase of approximately $83,000 that is mainly attributed to the change in financial accounting. Therefore, in the years leading up to this analysis for the Recovery Plan Amendment (2007-2010), the Borough has maintained expenditures for Goods and Services at a rate close to the rate of inflation.

Debt Service expenditures (as shown in Table ES-1) declined during 2007-2011, but are projected to increase in years 2012-2013 due to the debt incurred in 2011 for the Tymco Sweeper and Police Vehicle lease(s). In 2014, debt service expenditures are projected to decline when the two Act 47 Loans are fully paid.

Effect of Plan Amendment Recommendations

Earlier in this report, the goal of reducing the borough's reliance on the court authorized resident and non-resident Earned Income Tax levies while maintaining services was emphasized. A combination of actions to increase revenues and essentially reduce personnel costs have been identified. The financial effect of the revenue and expenditure initiatives varies over the three years, 2012 – 2014. A total of $102,000 in additional revenues is associated with actions to accelerate the transfer of real estate collections before the end of the calendar year (+$30,000 per year), the adoption of safety inspection fees (+$10,000), applying to PA DEP for recycling grant funds (+$5000), increased participation in the PILOT program (+$35,000), and establishment of OPEB trust fund (+$22,000). All actions shall be implemented before or during 2012 to generate approximately $102,000 in 2012, 2013 and 2014.

Expenditure reductions amounting to approximately $239,147 in 2012, $252,347 in 2013 and $278,347 in 2014 have been identified. The projected reductions in cost for **2012** are associated with the hiring of a Public Safety Director (-$71,250), medical, vision and dental insurance (-$118,800), elimination of insurance cost due to sale of aerial fire truck (-$1047), refunding of debt (-$7000), reductions in premium pay-OT, holiday, union meeting attendance, shift differential (-$41,250), and redesign of short term disability/sick day incentives (???).

The projected reductions in cost for **2013** are associated with the hiring of a Public Safety Director (-$71,250), medical, vision and dental insurance (-$131,800), elimination of insurance due to sale of aerial fire truck (-$1047), refunding of debt (-$7000), reductions in premium pay-OT, holiday, union meeting attendance, shift differential (-$41,250), and redesign of short term disability/sick day incentives (???).

The projected reductions in cost for **2014** are associated with the hiring of a Public Safety Director (-$71,250), medical, vision and dental insurance (-$157,800), elimination of

insurance due to sale of aerial fire truck (-$1047), refunding of debt (-$7000), reductions in premium pay-OT, holiday, union meeting attendance, shift differential (-$41,250), and redesign of short term disability/sick day incentives (???).

The borough shall takes steps to reduce its reliance on the court authorized resident earned income by reducing the resident earned income tax rate from 1.65% to 1.25% or less by 2015 [Recommendation #68]. The total revenue associated with this reduction is estimated to be $375,000. The goal for reduction of the resident EIT rate for 2012 is 1.65% to 1.36% or less. The goal for reduction of the resident EIT rate for 2013 is 1.36% to 1.33% or less. The goal for reduction of the resident EIT rate for 2014 is from 1.33% to 1.25% or less.

The borough shall take steps to reduce its reliance on the non-resident earned income tax levy from 1.42% to 1.16% or less by 2015 [Recommendation #69]. The total revenue associated with this reduction is approximately $175,000. The goal for reduction of the non-resident EIT rate for 2012 is 1.42% to 1.23% or less. The goal for reduction of the non-resident EIT rate for 2013 is 1.23% to 1.21% or less. The goal for reduction of the non-resident EIT rate for 2014 is 1.21% to 1.16% or less .

IV. REVISED RECOVERY PLAN AMENDMENT

Recommendations
ACT 47 - RECOVERY PLAN
REVISION (2008) & AMENDMENT (2011)

*NOTE: 2011 AMENDMENT IN **BOLD***

General Government

1. The borough shall continue to foster collaborative relations as well as participate in discussions with adjacent municipalities to consider the long-term recommendation of boundary change, and if interest is shown by other municipalities, undertake a feasibility study to consider the merits of boundary change.

2. The borough shall annually devote time to arrive at a common set of borough goals and objectives. The meetings should be used to facilitate public opinion from all sectors of the community, as well as the region, to arrive at common goals. These annual meetings should be held prior to the adoption of the municipality's budget.

3. Despite the fact that the meetings should be annual, the focus of the goals and objectives should be long-range and create a vision for the municipality to work toward. These commonly arrived at goals and objectives would be useful for the elected and appointed officials in developing municipal policies and plans.

4. The borough should apply for funding to DCED to study various intergovernmental/ regional initiatives identified throughout this recovery plan.

5. By the end of 2009, Borough Council shall with the assistance of the Act 47 Coordinator identify the advantages and disadvantages of adopting a home rule or optional plan of government to replace the existing borough structure. Should council determine that a change would be appropriate, it should take the steps stipulated in Act 62 to initiate the change process.

6. The borough should investigate the potential for functional consolidation with surrounding local governments for police, fire, and public works services.

7. The borough council shall (1) abolish the Borough Treasurer's position as full time employee, (2) appoint a part time borough treasurer with compensation in accordance with the borough code's stipulation for nominal annual compensation, (3) appoint a part-time professional finance officer and (4) appoint a full-time financial secretary. The borough council shall adopt a revised table of organization for the borough to reflect the above recommendation. A revised table of organization is provided in the discussion of general government. Job descriptions for the above positions are included in the appendix of the revised recovery plan. Greenville Borough Council shall consider the redistribution of job functions between the newly created financial secretary and administrative secretary and consider the employment of a part-time clerk for the borough office as part of Council's review.

8. Greenville Borough should work to meet as well as maintain all of the standards set forth for general municipal management over the next three years.

9. The Borough of Greenville has not updated its industrial appraisal since the mid-1990s. To assure that the borough has adequate insurance coverage and is in compliance with GASB requirements, the borough shall seek proposals to update its industrial appraisal within the first six months of 2009.

10. The Borough of Greenville shall work toward self-sufficiency by 2012 and the removal by the Secretary of the Department of Community and Economic Development (DCED) of the Act 47 designation by 2014.

11. Greenville Borough Council shall set priorities for the implementation of the revised recovery plan for the remainder of 2008 and each year thereafter until it meets the criteria for the removal of the Act 47 designation by the DCED. Once the priorities have been identified, a project/action implementation plan/schedule shall be developed in conjunction with the Act 47 Coordinator to assess the borough's progress in addressing the revised recovery plan recommendations. The project implementation plan shall identify a time line, benchmarks and responsibilities for each project. Quarterly progress reports shall be presented and discussed with council.

12. Greenville Borough Council shall develop a strategy to effectively and consistently communicate with borough residents through the use of the community's website, inserts in utility bills, community newsletter, etc., as well as schedule semi-annual town hall meetings to foster public participation in the discussion of on-going community issues.

13. The Borough of Greenville should provide leadership and managerial training opportunities to those who serve in supervisory roles in all departments in addition to training necessary to meet and maintain technical training and certification requirements.

Financial Management

14. The police and fire department inspectors shall periodically check establishments to ensure total mechanical devices fees paid match the number of machines on site.

15. The borough shall increase the annual pole tax to $50 per mile.

16. The borough shall investigate investment options, for the sewer reserve capacity checking and PLGIT accounts, to optimize investment earnings. Sewage reserve funds may be included in the RFP for banking services.

17. The borough shall evaluate GASB 34 and its provisions, and begin taking steps in 2003 working with the coordinator and the auditor to implement its provisions.

18. The following funds shall be maintained: General Fund; special funds for airport, capital improvements, liquid fuels; an Enterprise Fund for sewer; and a Fiduciary Fund for pension.

19. The borough shall pursue a onetime tax and fee amnesty program for all 511 taxes and fees owed to the borough. This program should remain in effect for a period not to

exceed 60 calendar days and Council should authorize exonerations of all penalties and interest charges assessed for a specified time period as an incentive for payment.

20. To improve cash management of the borough, the real estate tax collector shall remit tax deposits on a bi-weekly instead of monthly basis. During discount and face periods, deposits should be made weekly. Reporting related to collections and deposits need only continue on a monthly basis. Electronic transfer of funds on a daily basis and the use of a lock box to receive payments should be implemented prior to real estate tax collections for 2009.

21. The borough shall begin discussions with the school district relative to parcels designated for sheriff sale to formulate an agreement to share in the cost of any upcoming sales due to the fact that both taxing bodies will benefit.

22. The borough shall investigate the options available through redevelopment authorities to move severely delinquent parcels back onto the tax rolls.

23. Collection procedures and tax remittance procedures shall be reviewed annually in order to provide for a more efficient process of collecting and remitting taxes to the respective taxing bodies.

24. The borough shall become more active in monitoring the collections pertaining to EIT to ensure increased collection rates and improved cash flow.

25. The borough shall establish a more comprehensive tax auditing and verification program to reduce the occurrence of non-filing or under -reporting of income by utilizing the state income tax list.

26. The borough EIT collector shall mail quarterly payment forms to individuals not withheld by their employer and require individuals to make estimated tax payments as set forth in the ordinance. For individuals failing to file quarterly payments throughout the year a notice of non-payment shall be sent after the due date of the third quarter.

27. The borough shall mail final returns to all taxpayers by the end of the calendar year. Individuals shall be required to file the final return and remit payment by February 28 of the following year. Extensions to file the final return shall continue, but an estimated tax payment shall continue to be required to formally approve the extension. The borough should cease the practice of allowing taxpayers to file joint tax returns.

28. Any individual not filing a final return or remitting the tax payment by April 1 shall move into the delinquent collection process.

29. The borough shall continue to require that all applicable supporting documentation including W-2 forms be attached to the final tax return.

30. The borough shall adopt a policy for the collection of delinquent earned income taxes that at minimum will include the following: 1) Once the individual has filed the tax return the total tax owed is calculated and the individual will be given no more than 30 days to pay the tax; 2) If the individual cannot pay the tax and the employer is known, the policy shall require that the individual's wages be garnished; 3) If the employer is not known the

spouse's wages shall be garnished or the borough shall file assumpsit action at the local magistrate.

31. The borough shall share all survey and tax information with the EIT collector. This shall include, but not be limited to, business surveys; occupation and per capita tax records; deed transfers; water and sewage billings; and any other relevant tax information that may be of assistance in expanding the data base. Individual privacy rights shall be observed in the implementation of this recommendation.

32. Upon completion of the final determination of the individual or firm charged with delinquent collection the borough shall request the most current state list from the school district and immediately require the collector to: 1) Compare the wages from the most recent state list and invoice any discrepancies in taxes immediately; 2) If the resident fails to respond to the delinquent notice the borough shall follow the delinquent process detailed in this report. The amount of tax will be known from information detailed on the state income tax list; 3) If there is a discrepancy between the findings of the collector and the taxpayer due to two different domiciles, the collector shall require proof of the taxes paid to the other community prior to granting credit from another taxing jurisdiction. The borough in June of each year shall verify that the school district has authorized the release of the state's list to the EIT collector.

33. It shall be the policy of the borough that the building inspector, code enforcement officer and fire chief share any inspections with the tax assessor that would provide information of new businesses operating in the borough.

34. The borough shall require that all companies submit either federal form W-2 or Pennsylvania quarterly unemployment statements, as a means of verifying total employment numbers reported to the EIT collector.

35. The borough shall develop an internship program through the Local Government Academy or Thiel College to utilize students to conduct a survey of businesses located and operating in the borough.

36. The borough shall propose to the county and school district as to the feasibility of combining all three per capita tax bills on one bill, and proportionally allocating the total cost of collection among the three taxing bodies. So as to coincide with the school districts fiscal year, the borough and county would have to delay billing of their portion of the per capita tax until after July 1 of each year. The interest income lost on the revenues that would have been received earlier in the year would be more than offset by the savings in billing costs for all taxing bodies.

37. The individual responsible for maintaining the borough's accounting records is expected to understand generally accepted accounting principles (GAAP) applicable to government units which includes an understanding of the three major fund types (governmental, proprietary, and fiduciary) and the funds and purposes within the three major fund types (Standards for Effective Local Government, Municipal Accounting, Standard No. 1). The individual responsible for the financial management function must demonstrate a keen sense of detail and the timeliness associated with effective recordkeeping practices and must keep current with requirements established by Governmental Accounting Standards Board (GASB).

38. Borough Council shall adopt Internal Control Policies and Procedures for both administrative and accounting controls (Standards for Effective Local Government, Municipal Accounting, Standard No. 3). Note: A well designed accounting policies and procedures manual will clearly outline the specific authority and responsibility of individual employees, thus providing the essential foundation needed for establishing employee accountability (Gauthier, S.J. (1996), Evaluating Internal Controls: A Local Government Manager's Guide).

39. Borough Council shall adopt, by formal action, Policies and Procedures governing the establishment and use of petty cash accounts within the general, or other appropriate funds. At a minimum, these Policies and Procedures shall state who is responsible for maintaining the account(s), determine the amounts of cash to be maintained in the various accounts, identify types of records and documents to be maintained for the accounts, and designate uses for the accounts.

40. Borough Council at the earliest opportunity possible shall issue an RFP for auditing services to incorporate monthly review/monitoring of the financial accounting records and reporting to the scope of services.

41. The budget shall be prepared by an appointed official of the Borough who has a general understanding of, or who has been trained, in the area of budgeting and municipal management practices (Standards for Effective Local Government, The Municipal Budget: The Process, Standard No. 1).

42. The budget format shall be so designed to display revenues and expenditures for the immediate past three to five years, the estimated actual total revenues and expenditures for the current year and projections for the coming year. All revenue and projections shall be based on valid support data (Standards for Effective Local Government, The Municipal Budget: The Process, Standard No. 6 & 7).

43. For each departmental expenditure area of the budget, the department heads shall present a commentary to substantiate their expenditure requests. The substantiation shall conform to a prescribed format developed by the Borough Manager and shall include a statement of need, the volume and nature of work to be performed, supporting data for estimated costs, and a statement of benefits to be achieved (Standards for Effective Local Government, The Municipal Budget: The Process, Standard No. 5).

44. The budget shall be comprehensive and shall cover all governmental, proprietary and fiduciary funds for each fiscal year. The budget, as an essential element of financial planning, control, and evaluation, shall present projected revenues and expenditures for both capital and operating areas for all funds, as appropriate (Standards for Effective Local Government, The Municipal Budget: The Process, Standard No. 3).

45. Greenville Borough shall make major improvements to their budgeting process and shall over the next several years begin to implement Government Finance Officers Association (GFOA) recommended budget practices. A digital copy of the publication Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting can be found online at http://www.gfoa.org/services/nacslb/.

46. Greenville Borough shall make substantial improvements to the adopted budget document based upon GFOA's four budget evaluation criteria (a policy document, a

financial plan, an operations guide, and a communications device) which can be found online at http://www.gfoa.org/forms/documents/ Budget CriteriaExplanations.pdf

47. Beginning in 2009, Greenville shall develop an annual cash budget and investment plan for all borough funds which projects and displays both expected general operating fund revenues and disbursements on a monthly, weekly or daily basis, as appropriate.

48. Greenville Borough Council shall formally delegate investment responsibilities to the borough manager.

49. Greenville Borough Council shall adopt a formal investment policy governing the investment of borough funds in instruments authorized by the Borough Code and in conformance with criteria for recording and reporting of investment activity and performance identified by the Government Finance Officers Association.

50. All revenues shall be combined for investment purposes and an audit trail maintained for each revenue source. Interest earnings shall be posted to and reported as part of their respective funds on a monthly basis.

51. Borough Council shall request the annual audit to provide an accounting of the investment funds and shall have the finance director provide quarterly reports on the investments funds.

52. To facilitate revenue administration, the financial secretary in conjunction with the borough manager shall develop a annual calendar which references all dates for reporting to state and local agencies, indicates when all reimbursements should be requested, and indicates the expected due date for all recurring and non-recurring intergovernmental and external grants.

53. Collection rates for current year municipal real estate taxes are lower than the norm for municipal real estate taxes. According to the Standards for Effective Local Government, the collection rate should average between 95 and 98 percent (Standards for Effective Local Government, Financial Management, Revenue Collection, and Standard No. 6). Further study should be conducted to assess how to better improve the collection rate. The Recovery Plan of 2002 noted that the decline in the collection rate was not a function of the tax collection process.

54. A data base should be developed for a master housing and business directory as a means for maintaining tax rolls (Standards for Effective Local Government, Financial Management, Revenue Collection, Standard No. 2).

55. Real estate tax and utility rolls should be audited annually to ensure accuracy and completeness of the real estate tax rolls (Standards for Effective Local Government, Financial Management, Revenue Collection, Standard No. 3).

56. The Borough shall establish an annual verification program for selective audits of taxpayers' records, to substantiate their tax liabilities and tax payments (Standards for Effective Local Government, Financial Management, Revenue Collection, and Standard No. 4).

57. The Borough shall periodically review the state law concerning the interest and penalty which may be applied to delinquent tax and fee payments (Standards for Effective Local Government, Financial Management, Revenue Collection, and Standard No. 5).

58. Borough Council shall authorize the charge of the maximum allowable interest and penalty values on overdue accounts (Standards for Effective Local Government, Financial Management, Revenue Collection, and Standard No. 5).

59. Borough Council shall institute policies against the waiver of such charges by those who collect the revenues unless there is a formal grant of waiver by Council on a case-by-case basis (Standards for Effective Local Government, Financial Management, Revenue Collection, Standard No. 5).

60. The Borough shall continue to collect per capita tax while designated as distressed under Act 47. To repeal the per capita tax at this time would mean a loss of over $100,000 in tax revenues over the next 10 years.

61. A review of the current and delinquent per capita billing and collection processes should be conducted to identify actions, such as an alternative to the current billing practice which may produce greater annual revenue yields.

62. Borough Council shall adopt a fund balance policy which designates how the year end general-operating fund balance will be allocated.

63. The borough shall provide for the monthly monitoring and oversight of the finance function by a person who has professional training and experience in municipal finance.

64. The financial management recommendations in any progress report will be designated into the following categories; Budget, Accounting, Internal Controls (Cash Management, Revenue Administration, Purchasing) and Auditing.

65. To increase the rate of current year real estate tax collections two actions have been identified. First, the borough shall consider advancing the annual tax collection calendar by one month with discount collections in March and April, face collections in May and June and penalty collections from July through December. Second, as per the Real Estate Tax Collections Report presented to Borough Council in November of 2010 a) Council shall implement a policy that would require the Borough's tax collector to transfer payments made in December to the Borough no later than 12:00 noon on the last business day in December for all real estate taxes collected during the month of December; b) Council shall implement a policy that would require the Treasurer to make deposit of the real estate taxes collected during the month of December prior to the close of business on the last business day in December; and c) Council shall implement a policy that would require the Borough's tax collector compile a Special Reminder Notice through a public listing. In an effort to collect unpaid real estate taxes prior to 12:00 noon on the last business day in December, the public listing of the Special Reminder Notice may be advertised in the newspaper as a public notice or Council may choose to send a second Reminder Notices to each property owner in December (Recommendation #65).

66. The borough shall work with the contractor appointed by the countywide tax collection committee to facilitate the smooth transition of responsibilities and the efficient and effective collection of the resident and non-resident earned income and local services taxes.

67. Based upon current and on-going Code Committee discussion, the Borough, in 2011 shall adopt a Property Maintenance Inspection Program for non-owner occupied dwellings and a fee schedule (for inspection services and permits). The non-owner occupied residential Property Maintenance Inspection Program will be an extension of the current Rental Registration requirement wherein all residential landlords are required to register all residential rentals on an annual basis. In addition, in 2011, the Borough shall adopt a Commercial Fire Code Inspection fee schedule as an extension of the fire code inspection services that are currently provided at no cost.

68. The borough shall takes steps to reduce its reliance on the court authorized resident earned income by reducing the resident earned income tax rate from 1.65% to 1.25% or less by 2015 [Recommendation #68]. The total revenue associated with this reduction is estimated to be $375,000. The goal for reduction of the resident EIT rate for 2012 is 1.65% to 1.36% or less. The goal for reduction of the resident EIT rate for 2013 is 1.36% to 1.33 or less%. The goal for reduction of the resident EIT rate for 2014 is from 1.33% to 1.25 or less%.

69. The borough shall take steps to reduce its reliance on the non-resident earned income tax levy from 1.42% to 1.16% or less by 2015 [Recommendation #69]. The total revenue associated with this reduction is approximately $175,000. The goal for reduction of the non-resident EIT rate for 2012 is 1.42% to 1.23 or less%. The goal for reduction of the non-resident EIT rate for 2013 is 1.23% to 1.21 or less%. The goal for reduction of the non-resident EIT rate for 2014 is 1.21% to 1.16% or less.

70. For tax year 2012, as per the Real Estate Tax collections Report presented to Borough Council in November 2010, the Borough Manager and Real Estate Tax Collector shall research the feasibility of accepting debit and credit cards through Gov.Pay for receipt/payment of current year real taxes.

71. Beginning in 2012, as per the Real Estate Tax Collections Report presented to Borough Council in November of 2010, Council shall consider implementing an installment payment process for the payment of real estate tax bills.

72. Beginning in 2012, delinquency notices that conform to state rules and regulations shall be sent by the Borough's Real Estate Tax Collector in August of each year.

73. Beginning in 2012, as per the Real Estate Tax Collection Report (2010), the Borough shall track delinquent real estate tax collections to be used as a tool

for budgeting purposes; and that the Borough shall use the collection rate trends (from the annual tracking of delinquent tax collections) to project the anticipated delinquent tax revenues for each year based upon the amounts remaining as uncollected at face plus penalty.

74. Beginning in 2012, as per the Real Estate Tax Collection Report (2010): Council shall direct staff to research the properties that are severely delinquent; and Council shall begin discussions with the County and School District to petition select properties for judicial sales.

75. Using the 2009 Real Estate Tax Exempt Study as a basis, the borough shall conduct an audit of tax exempt property and expand PILOT (payment in lieu of tax) payments. The audit shall consist of the examination of all exempt classified parcels. In addition, the borough shall annually send requests for donations or meet with organizational leaders in early January and shall link the cash payment and/or in-kind service requests to planned capital projects. The President of Council and Borough Manager shall lead the effort to expand the in lieu of tax payment program. Advice on effective strategies for increasing participation as well as negotiating PILOT payments will be sought from those associated with local governments where an active and effective PILOT programs exists (Recommendation #75).

Debt Service

76. The borough must reduce its annual general fund debt service for general obligation and lease rental debt to 10% of the total revenues of the general operating fund budget as a pre-requisite for the rescission of the Act 47 designation.

Capital Improvements/Infrastructure

77. The borough should adopt a multi-year capital improvement plan for all its physical assets. This program should include a prioritization of infrastructure facilities and equipment needs, along with the identification of funding alternatives.

78. Working with the Act 47 coordinator the borough shall determine financing alternatives and time table for the capital improvements necessary to address the immediate and long-term issues surrounding the municipal building.

79. Current operating and capital financial decisions for the annual budget shall be based upon appropriate sections of the multi-year financial plan and the capital program *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No.3).*

80. As part of the capital programming procedures and the annual capital plan preparation, there shall be at least one public hearing at which the public can express its view on capital needs *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No.4).*

81. Decisions with respect to long-term borrowing or other means of capital financing shall be made in accordance with the Borough's financial plan/capital program (*Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No 5).*

82. Detailed schedules of debt service requirements shall be presented in the annual capital budget and shall be updated annually as part of the capital programming procedures. *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No.6).*

83. Bond maturity schedules shall be designed so that they do not exceed the expected life of the projects financed by such bonds *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No.7).*

84. Funds borrowed for longer than one year shall be used to finance capital projects and shall not be used to fund current operating expenses *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No.8).*

85. The replacement and maintenance of municipal equipment, vehicles or facilities shall be in accordance with a formal schedule or capital program. The formal schedule shall be used for planning and in preparing the annual operating budget *(Standards for Effective Local Government, Financial Management, Multi-Year Capital Improvements Planning, Standard No. 9).*

Insurance

86. The borough shall monitor all its physical assets to determine that insurance coverage is adequate and not duplicated, and to identify uninsured/underinsured assets for disposition.

87. In reviewing the application for this year's workers' compensation policy, it was noted that the borough has or has had a safety committee in place to review safety issues in the work place. The borough shall ensure that this committee continues to meet regularly to review potential safety concerns and implement recommendations to ensure a safe work environment.

Human Resources Management/Employee Benefits

88. Management Rights: The borough shall have the right to determine the organizational structure and operation of each Department including, but not limited to, the right to determine and change job duties for each position, the right to determine and change schedules for each employee, and the right to assign work to any employee. Any provision in any collective bargaining agreement which is inconsistent with, or which interferes with, the rights of the Borough as set forth above, shall be eliminated to the extent of such inconsistency or interference, and the Borough's management rights, as set forth above, shall not be the subject of any grievance procedure or arbitration clause in any collective bargaining agreement between the Borough and any of its unions.

89. Elimination of Past Practices: Any provision or clause in any collective bargaining agreement which protects past practices, or any rights which are not specifically set forth in the collective bargaining agreements, shall be eliminated. The Unions shall be given the opportunity to identify and negotiate any specific practices or rights which they would like to preserve and have included in future collective bargaining agreements

90. Paid Leave: There shall be no increase or improvement in any form of paid leave. The scheduling of vacation, holidays, and personal days shall be balanced and evenly distributed throughout the year, in such a manner as to preclude the need for overtime. The borough shall adopt and strictly enforce an aggressive management/supervisory oversight policy covering all types of leave (sick, family, bereavement, etc.). This provision applies to all borough personnel.

91. Regular Part-Time Employees: The Borough shall have the right to hire regular part-time employees. Regular part-time employees shall be used or scheduled in such a fashion so as to virtually eliminate the need for non-emergency overtime within the borough. Regular part-time employees shall be part of the applicable bargaining unit, and regular part-time police and firefighters will be hired through Civil Service procedures. Regular part-time employees may be scheduled at any time. Regular part-time employees may be used to replace a full-time employee who is absent from work for any reason. In this regard, the borough shall have the right to change the schedules of regular part-time employees, for any reason, or to use regular part-time employees as "on call" replacements for full-time employees. The borough shall have the right, in its sole discretion, to determine the starting wages and job duties of regular part-time employees. Thereafter, regular part-time employees shall receive the same percentage increase to their hourly wage, if any, as full-time employees within the same bargaining unit. Qualified part-time employees shall be considered for full-time positions which the borough decides to fill through the job posting procedure. In cases of layoffs, all regular part-time employees within a job classification shall be laid off first, according to their reverse seniority, before full-time employees are laid off within the same job classification. Regular part-time employees shall not be eligible for any form of employee benefits or paid leave.

92. Elimination of Subcontracting Clauses: There shall be no provision in any collective bargaining agreement which prohibits or limits the right of the borough to subcontract any service, function, or activity.

93. Duplication of Benefits: Except as otherwise specifically required by law, any duplication of payment for sick leave, disability leave, workers' compensation, heart and lung benefits, paid leave, pension benefits, or regular pay shall be eliminated. All pension plans shall be amended to include a provision to offset pension benefits by the amount of social security disability benefits. Employees will be required to make an election concerning available benefits in order to avoid any duplication of benefits. There shall be no duplication of pension benefits and workers' compensation benefits. In accordance with Pennsylvania law, Act 57 of 1996, 77 P. S. §71, as amended, the amount of workers' compensation benefits paid to any employee shall be offset by the amount of pension benefits payable to the same employee. This provision shall apply to both bargaining unit and non-bargaining unit personnel.

94. Sick Leave/Doctors Evaluation: Any employee who is off work as a result of any illness or injury for more than three consecutive work days, or who exhibits a pattern of possible sick leave abuse shall be required to furnish, at the employee's expense, a doctor's certification concerning the nature of the illness or injury. In addition, the borough may, at its discretion, order an evaluation of the employee's condition by medical personnel of the borough's choosing at the borough's expense. This provision shall apply to all borough personnel.

95. Elimination of Minimum Manning: Any provision of any collective bargaining agreement between the borough and any of its unions concerning minimum manning requirements for any particular bargaining unit, shift, platoon, job classification, specialization, or position shall be eliminated. The borough shall have the sole right to determine the number of personnel employed and utilized by the borough. Further, the borough shall have the right to layoff any employees for economic or any other reasons, without limitation.

96. Light Duty: All future contracts shall have a provision for light duty in the event that an employee is injured on the job.

97. No new benefits or expansion of benefits, which have uncapped future costs, shall be permitted either for employees covered by collective bargaining agreements or unrepresented borough employees.

98. The borough shall structure a simple Section 125 Plan, offering a cash payment for individuals opting out of the group medical plan due to the fact they were able to secure coverage through their spouse.

99. The borough shall annually survey employees to ensure any dependents enrolled in the group health insurance plan are eligible for benefits. The borough shall annually survey employees to ensure any dependents enrolled in the group dental plan are eligible for benefits.

100. To limit bookkeeping on the part of the finance office, the borough shall enroll all COBRA individuals on a direct pay basis with the provider which at this time is the MEIT.

101. The borough shall include dental benefits in the Section 125 plan. If the employee elects to participate in the 125 plan and maintains dental coverage, the cost of said coverage shall be deducted from the monthly payment. The borough shall include vision benefits in the Section 125 plan. If the employee elects to participate in the 125 plan and maintains vision coverage the cost of said coverage shall be deducted from the monthly payment.

102. Working through its broker the borough shall attempt to secure group life insurance at a lesser cost.

103. The borough should work to attain all of the standards associated with personnel management which were assessed as met, but ineffective or as not met in *Standards for Effective Local Government*. The standards are included as a reference in the section on human resource management.

104. Borough Council should formally adopt the job descriptions which are based on the job analysis completed in the fall of 2006. The job descriptions should be used to set goals and objectives and serve as a basis for the assessment of job performance on an annual basis for all full and part time employees. The job descriptions are in the appendix of the revised recovery plan.

105. The borough shall cross train employees where possible to utilize staff hours more effectively and efficiently.

106. The borough shall use professional assistance for labor negotiations. The borough shall retain an attorney with extensive experience in public employment labor relations for its collective bargaining activities beginning in 2011 for negotiations with the fire, police and public service unions. The borough has previously used Campbell, Durant, Beatty, Palombo and Miller, PC. Whether the borough continues to use or chooses another labor counsel, it shall use qualified labor counsel for all contract negotiations. In addition to using the counsel for support in collective bargaining, the borough shall also use the counsel to review past practices that unnecessarily increase the cost of operations and are permissive subjects for bargaining.

The borough shall reinstitute its membership in the Pennsylvania League of Cities' Public Employer Labor Relations Advisory Service (PELRAS) in order to be eligible for reduced hourly rates for labor counsel. With the support of its labor counsel, the borough shall make every good faith effort to achieve negotiated labor agreements consistent with this plan.

107. The borough shall limit new contract enhancements. Unless, and only to the extent that, applicable law requires a change in any of the wages, benefits, terms, provisions or conditions enumerated herein, all new labor agreements between the city and the unions representing its employees (whether resulting from collective bargaining between the parties or interest arbitration pursuant to Act 111 as applicable or otherwise) covering calendar years 2012 through 2014 and subsequent years (or any part thereof) <u>must not</u> contain, require or provide for any of the following:

- ***a. any new overtime or premium pay benefits or requirements;***
- ***b. any increase in existing overtime or premium pay benefits or requirements, nor the continuation of existing overtime and premium pay benefits and requirements which are modified by this Recovery Plan Amendment;***
- ***c. any increase in pay or benefits associated with new duties, changes in duties or activities required by this Recovery Plan Amendment;***
- ***d. any new benefits or improvements in existing benefits, nor the continuation of existing benefits which are modified by this Recovery Plan Amendment;***
- ***e. any new paid or unpaid leave;***

f. *any improvements to existing paid or unpaid leaves, nor the continuation of existing paid and unpaid leaves which are modified by this Recovery Plan Amendment;*

g. *any additional pay for time not worked;*

h. *any improvements in existing pay for time not worked, nor the continuation of existing pay for time not worked which is modified by this Recovery Plan Amendment;*

i. *any new designations that time not worked counts as time worked for the purpose of computing overtime or premium pay or increases in existing designations of same, nor the continuation of designations that time not worked counts as time worked for the purpose of computing overtime or premium pay which are modified by this Recovery Plan Amendment;*

j. *any new benefits for retirees or other inactive employees (e.g., those in layoff or disability status);*

k. *any improvements in existing benefits for retirees or other inactive employees, nor the continuation of existing benefits that are modified by this Recovery Plan Amendment;*

l. *any term or provision which continues any existing restrictions or which adds any new or additional restrictions on the borough's management rights,*

m. *any provision which impairs or restricts the borough's ability to engage qualified contractors to perform services for the borough, including services currently provided by bargaining unit personnel;*

n. *any provision which impairs or restricts the borough's ability to transfer service provision to another entity, including services currently provided by bargaining unit personnel;*

o. *any provision which restricts or impairs the borough's ability to effect lay off or other reduction in its workforce, including those that require part-time employees be laid off before any reductions in full time personnel can be made;*

p. *any provision which expands any arbitrator's authority to grant relief in any arbitration proceeding;*

q. *any provision which obligates the borough to promote or assign or to permit bumping of any employee on the basis of seniority, rather than on the basis of qualifications and performance, except to the extent that preference is accorded the most senior of those employees having relatively equal qualifications and performance histories;*

r. *any provision which restricts the borough's ability to require an employee to work a "light duty" position within that employee's medical restrictions, and in any department or bargaining unit within the borough;*

s. *any provision obligating the borough to provide "light duty" to any employee who is unable to perform the essential functions of his or her job, with or without reasonable accommodation and*

without posing a direct threat to the health or safety of the employee or others;

t. any provision which expands the bargaining unit employees' rights to present grievances to the borough or to appeal grievances to arbitration;

u. any provisions which provide any pay or other compensation to any employee for: 1) any exercise by the borough of any of the above rights; or 2) the inclusion of any of the above provisions in any collective bargaining agreement; or 3) the implementation of any of the above provisions; or 4) the implementation of any of the initiatives in this Recovery Plan Amendment;

v. any requirement for the borough to provide wages, benefits, or other terms of employment to any bargaining unit based on the provision of such wages, benefits, or other terms of employment to another bargaining unit.

108. The borough shall ensure that future collective bargaining agreements remain compliant with the Revised Recovery Plan and its Amendment(s).

No person or entity, including (without limitation) the borough, any union representing borough employees and any arbitrator pursuant to Act 111 or otherwise, shall continue in effect past the state expiration date of any current labor agreement the wages, benefits or other terms and conditions of the existing labor agreement if such wages and benefits or other terms or conditions are inconsistent with the initiatives made herein.

All collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment must be effective as of the current expiration date of the current agreements and interest arbitration awards. This shall apply even if the agreement is entered into or the arbitration award is executed subsequent to the effective dates, thus requiring that the agreements or awards retroactive. No collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment may extend the current expiration dates of the existing agreements and awards. Specifically, these dates are as follows:

Union Agreement Agreement	*Current Expiration Date*	*Effective Date of Subsequent*
Greenville/West Salem Police Department	*December 31, 2011*	*January 1, 2012*
American Federation of State, County and Municipal Employees, AFL-CIO, District Council 85, Local 2778	*December 31, 2011*	*January 1, 2012*
Greenville Borough Firefighters,	*December 31, 2011*	*January 1, 2012*

The borough shall take all steps to promptly bargain new collective bargaining agreements and shall follow all time limits for interest arbitration so that any interest award shall be issued prior to the expiration of the collective bargaining agreement. Until the initiatives in this section of the Recovery Plan Amendment are revised, any labor agreement between the borough and any union representing borough employees (whether resulting from collective bargaining, interest arbitration pursuant to Act 111 or otherwise) covering such subsequent period shall comply with the initiatives made herein without regard to the period of agreement specified in any initiative.

109. Effective 1/1/2012, implement a three-year wage and step freeze for all full and part time union and non-union employees.

110. Effective 1/1/2012, establish a permanent two-tier wage/salary scale for all new part time and full time employees with a 10% wage/salary differential for all job classifications.

111. Effective 1/1/2012, freeze longevity pay and eligibility for longevity payments. -- Longevity payment schedules are frozen for all full time employees at the years OF service and rates stipulated in the collective bargaining agreements for years 2009 – 2011. Those hired after 1/1/2012 shall not be entitled to a longevity payment for the duration of their employment.

112. For employees who actually work holidays, holiday pay will be no greater than time and one-half the normal rates of compensation for their respective positions.

113. Overtime pay thresholds for all personnel to be adjusted to reflect hours actually worked.

114. Freeze vacation leave for existing employees. Create uniform vacation schedule for new hires effective 1/1/2012 with four weeks (20 days) being the maximum vacation benefit for those with 16 or more years of service. (1 – 5 years = 1 week, 6 – 10 years = 2 weeks, 11 – 15 years = 3 weeks, over 15 years = 4 weeks)

115. Redefine sick leave, short term disability, and sick-leave incentive programs to provide reasonable coverage for non-work related short-term illness or disability and shared responsibility for the cost. This will require establishing consistency across the employee groups for the accumulation of sick days on an annual basis and incrementally increasing waiting periods to 45 days before short term disability insurance applies and the transfer of the cost of the premium for short term disability insurance to the employee. Buy backs of unused sick days at upon voluntary separation, resignation or retirement will be limited to 45 days at a rate of $30 per day.

116. Redesign active employee medical, vision and dental insurance by increasing the deductible to $1500 for single coverage and $3000 for family coverage, raising the employee contributions to the cost of the medical, vision and dental insurance premiums from 5% to 10% in 2012,10% to 15% in 2013, and 15% to 25% in 2014, and establishing employee funded Health Savings Accounts (HSAs) .

117. For all employees hired prior to 12/31/2011 and eligible for retiree health care benefits who retire after 12/31/2011, contain current post-retirement medical, vision and dental insurance costs by establishing a $1500 single coverage deductible and requiring retirees to contribute to the annual cost of their medical, vision and dental insurance premium on a basis comparable to the contributions made by active borough employees; 10% of the cost of the premium in 2012, 15% in 2013 and 25% in 2014. Retiree health care benefits shall not exceed those they received as an active employee prior to retirement. Retirees may be retained in the same plan in which they were a member prior to retirement.

118. Effective 1/1/2012, eliminate post-retirement health care or in lieu payments for any and all new hires.

119. Effective 1/1/2012, eliminate the allocation of excess interest earnings in the uniformed and non-uniformed personnel pension plans to employees. The borough shall establish an Other Post Employment Benefits (OPEB) trust fund with the excess interest revenues to offset the annual expense of retiree health insurance costs previously granted to police and fire personnel. If necessary, additional funds from the general fund shall be allocated on an annual basis to cover the cost of post retirement insurance benefits.

120. Effective 1/1/2012 there will be no compensation paid for employees to attend union meetings.

121. Effective 1/1/2012 borough personnel will no longer be paid a shift differential.

122. Effective 1/1/2012 borough personnel will be limited to taking the equivalent of one week of vacation in one day increments with the department supervisor's permission.

123. Re-organize the supervisory responsibilities of the police and fire departments by creating a public safety director's position to manage and supervise the daily operations of the police and fire departments. The position of public safety director shall replace the positions of police chief and fire chief.

124. Scheduling – Fire and Police schedules will be in conformance with FLSA's section 207(k) partial exemption from overtime provision. The borough retains

the right to determine the basis of the "work period" for scheduling purposes for all personnel.

125. Effective 1/1/2012 eliminate the 40% of full-time hours worked limitation on the use of part-time employees in the fire and police department.

126. Part-time Public Safety Personnel – The borough will recruit, train, and maintain a sufficient corps of part time personnel to minimize and/or eliminate the use of non-emergency overtime in the police and fire departments on an annual basis.

127. Position Vacancies - Positions vacated through the retirement, voluntary or involuntary separation of full-time personnel shall not be filled without the approval of the Act 47 Coordinator.

Public Safety - Police

128. The police schedule shall not exceed 55 shifts per week.

129. The borough shall begin to utilize part-time officers in the future to fill regular work shifts. This shall require removing the cap on part-time shifts in the next negotiated contract.

130. The borough shall calculate all costs associated with the police services provided to West Salem Township. The overall costs of this service shall include a contingency amount and shall be the minimum charge to the township for future contracts.

131. Major capital purchases such as new vehicles should be part of the capital budget and not part of the police department budget.

132. The police chief shall take an active role in monitoring all costs relating to the department and review any significant budget variances with the manager on a monthly basis.

133. The borough council and mayor shall pursue the next phase of the Greenville-Hempfield police merger study and actively participate in the development of an implementation strategy with the intention of making the merger effective January 1, 2009.

134. The borough in conjunction with Hempfield Township shall pursue shared services and start-up funding for police merger from DCED.

135. The borough shall assess the continued financial feasibility of continuing to provide contract police services to West Salem Township, if the police department merger with Hempfield Township is implemented.

Public Safety - Fire

136. The borough shall begin to reduce paid personnel through attrition.

137. The borough shall increase its efforts to develop a revitalized volunteer force with neighboring municipalities and actively recruit Thiel College students and residents. Incentives to increase recruitment should be identified and pursued. The borough shall request DCED peer consultant assistance to assess the costs and benefits of a paid versus volunteer fire department. The borough shall create an incentive system to attract and retain firefighters.

138. At the conclusion of this recovery period and the current fire contract, the borough should consider a reduction to a paid chief and an assistant chief, with the remainder of the force to be volunteer.

139. The current paid fire personnel shall be utilized for borough fleet maintenance and additional support to the borough's code enforcement efforts.

140. Time billed for firefighters for false alarms shall include all direct payroll costs not limited to FICA and workers' compensation.

141. The borough shall enter into discussions with the municipal authority relative to waiving the hydrant fee and standby fee during the Act 47 recovery period.

142. The fire department, during the course of its fire inspections, should gather employment data of the entity and share this information with the borough revenue collection departments.

143. The borough should utilize the mechanic maintenance pit at the fire department for routine vehicle maintenance and repair of all borough vehicles. This could be accomplished with existing fire department personnel on non-daylight shifts.

144. The borough shall formally adopt a fee schedule for services rendered by the fire department.

145. The borough shall form a task force of elected officials and administrative staff to develop short and long term strategies to mediate the annual costs associated with a paid fire department.

146. To reduce the cost of vehicle insurance, the 1966 aerial truck shall be disposed of during before the beginning of 2012. The proceeds of the disposal shall be earmarked for use by the fire department for capital expenses.

147. A study of the Greenville Fire Department is currently being conducted by a DCED peer consultant. Once the study has been reviewed with borough council, actions shall be initiated to amend the Act 47 plan to incorporate the recommendations into the recovery plan.

Public Works

148. The Borough should comply with all applicable provisions of PA Act 101 to assure that recycling grant funds are available to the borough on a continuing basis. The Borough should plan the expenditure of Act 101 funds as part of the annual operating/capital budget process.

149. Following the adoption of the annual budget, the Public Works Department Superintendent should develop an implementation plan encompassing all public works operations including a system for monitoring goals and objectives is developed b**y** the public works administrator in consultation with the municipal manager/administration (Standards for Effective Local Government, Section X, Municipal Public Works Management, Overall Management of Public Works, Standard No.3).

150. For all public works projects, the Public Works Department should develop a system for monitoring all projects in all phases of implementation by appropriate management personnel (Standards for Effective Local Government, Section X, Municipal Public Works Management, Overall Management of Public Works, Standard No.5).

151. The Public Works Department Superintendent should develop a multi-year plan which presents an assessment of the current condition of all municipal streets, roads, and alleyways and a schedule for resurfacing, restoration or reconstruction projects (Standards for Effective Local Government, Section X, Municipal Public Works Management, Municipal Streets, Standard No. 2).

152. The Public Works Department Superintendent should develop a multi-year pavement management program which focuses on the maintenance, restoration and reconstruction of municipal streets, roads, and alleyways (Standards for Effective Local Government, Section X, Municipal Public Works Management, Municipal Streets, Standard No.1).

153. The Borough shall comply with MS4 which requires that 25% of the municipality's storm sewer system be cleaned each year.

154. The Department's vehicle and machinery/equipment comprehensive maintenance records shall be used as the basis for the Borough's replacement schedule for public works vehicles and machinery/equipment (Standards for Effective Local Government, Section X, Overall Management of Public Works, Standard No. 4)

155. The borough shall study the feasibility of contracting out public works services and determine the minimum staffing necessary to provide services which are not contracted.

Planning and Development

156. The borough should work closely with Mercer County Regional Planning Commission, the Mercer County Housing Authority, the Mercer County Community Action Partnership and other agencies that provide housing assistance, and should strive to

coordinate the housing plan efforts with the various long-term planning and economic and community development programs in the borough and the region.

157. The borough should seek to develop a home ownership marketing strategy to encourage existing renters to purchase their homes and to attract new residents to move into Greenville and purchase their homes. The borough should develop a marketing partnership with real estate firms to accomplish this.

158. The borough should establish a revolving loan fund for an owner-occupied home financing program, perhaps in partnership with PHFA. The new program should encourage home purchases, rehabilitation to meet code requirements, and improvements to increase home values. Such a program should not be targeted on the basis of homeowner income levels. The borough should consider the feasibility of capitalizing such a program through an allocation of its Community Development Block-Grant funds or PHFA funds, to provide a partial guarantee or credit enhancement for tax-exempt bank bond issue. The proceeds from such a bond issue may be used to provide low-interest loans to middle income individuals and families. The borough may consider submitting an application to the Pennsylvania Communities of Opportunity Program for funding to capitalize such a program. The borough should create a revolving loan fund with a principal Amount of $1.5 million over the next 3 years to capitalize the program.

159. The borough should consider the establishment of a vacant property review committee or commission, to provide leadership and assistance toward the demolition of abandoned structures and the marketing and/or making available of land for development to interested parties.

160. Tax abatements for home improvements or rehabilitation should be considered over a five-year tax abatement period in conjunction with the school district and Mercer County on new real estate taxes resulting from home improvements or rehabilitation.

161. The borough shall aggressively pursue the creation of the Greenville Partnership, involving key economic development entities within the region and within the partnership identify an entity to provide administrative support for economic development activities. The economic development partnership shall spearhead positive movements with Trinity Industries toward the site redevelopment, marketing, public funding and appropriate reuse. The borough should seek Act 47 funding to initiate the creation of the partnership.

162. The partnership should work with Trinity Industries to develop an incentive-based agreement for marketing, recruitment and development of the Trinity Industries site.

163. The borough should apply to the state for enterprise zone designation for the Trinity Industries site and pursue new communities funding for its central business district.

164. The borough shall pursue a tax-sharing agreement with Hempfield Township, whereby any taxes generated from any development on the Trinity Industries site in either jurisdiction will be shared on a pro rata land area formula. This agreement will eliminate municipal competition for new development and encourage mutual support.

165. The borough should pursue the creation of a special fund to provide a local match to qualify for a variety of state and federal grant programs for development projects.

166. The borough should maintain close and good relations with stable employers within the borough; encourage a partnership with the leadership of both Thiel College and UPMC Horizon in order to access their talents, energy and vision.

167. The Borough should review all possible financial incentives permitted under state law to facilitate economic development.

168. The Recovery Plan of 2003 contained numerous recommendations specific to Economic Development. In a larger community, the governing body may establish an Economic Development Committee that is separate from the Planning Commission. However due to the size of Greenville Borough and a desire to avoid adding an additional committee/commission of government, it is recommended that the Planning Commission take on some of the Economic Development tasks. As stated above, the current Greenville Borough Planning Commission is active, technically efficient, and productive. An Economic Development Committee of the Planning Commission would be a great asset to the Borough Manager and Council.

169. Borough Council should appoint an Economic Development Committee in cooperation with the Borough Planning Commission to actively follow the recommendations of the Implementation Strategy as outlined by the Comprehensive Plan of 2004.

170. The Greenville Borough Planning Commission should make recommendations to borough Council as to the prioritization of the implementation of recommendations contained within the Greenville Borough and Hempfield Township Joint Comprehensive Plan. A short-term and long-term work plan or strategy for implementation of the recommendations should be developed. The Implementation Strategy Plan should be reviewed and updated annually.

171. The Borough Planning Commission should review the Borough Zoning Ordinance relative to the recommendations made for revisions in the Comprehensive Plan and propose amendments where applicable.

172. The borough shall coordinate an update of its zoning ordinance with Hempfield Township to implement the joint comprehensive plan.

173. The borough shall utilize existing local, county, regional and state agencies and organizations to develop realistic economic development goals for the community.

174. The borough shall restructure the planning, zoning , and permitting processes.

175. The borough shall develop a procedures manual for the part time zoning officer and property code enforcement position.

Authorities

176. At the request of the sanitary authority the water authority should shut-off all delinquent accounts in compliance with their rules and regulations.

177. The borough should discuss with the water authority the potential for combining collection efforts on delinquent accounts through water shut offs. In addition, the borough should request the municipal authority to post payments proportionally to both water and sewage.

178. The borough shall enter discussions with Hempfield and West Salem townships relative to the 25% and 15% retentions for billing and maintenance, since more of the flat fee is for treatment as opposed to line maintenance. In addition, there may be some economy of scale if the borough would increase its staffing by one person for maintenance of all three municipalities and retain the maintenance costs from both Hempfield and West Salem.

179. The borough shall review electric consumption and those costs over the prescribed costs identified as the boroughs in the lease shall be billed to the lessee.

180. The borough shall investigate the potential for dissolving the sewer authority and transferring waste water treatment services to a borough department, to an intergovernmental organization or privatizing the service.

181. The Borough of Greenville should initiate discussions about the regionalization of operations of wastewater and water treatment services. This would require meetings with surrounding communities including Hempfield and West Salem.

182. The Borough of Greenville should meet with the Department of Environmental Protection to see what role Greenville's Wastewater Treatment Plant can play in a regional and county approach.

TECHNICAL APPENDIX

TECHNICAL APPENDIX

"Current Year" Real Estate Tax: Collection Trends

To obtain the projected "current year" tax collections for the years 2011-2014, the "current year" projected collection rates for 2011-2014 were first calculated using regression again time analysis. The calculated projected "current year" collection rates were then multiplied by the projected "current year" tax levy.

"Current Year" Real Estate Tax: Collection Rates

The projection rates were calculated using regression against time analysis; where the coefficient of intercept a variable (years 2004-2007) is a=88.43 and the coefficient of y variable (actual collection rates for years 2004-2007) is y=-0.69393.

SUMMARY OUTPUT – PROJECTED COLLECTION RATES 2011-2014

Regression Statistics	
Multiple R	0.711739
R Square	0.506573
Adjusted R Square	0.407888
Standard Error	1.620687
Observations	7

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	13.48303	13.48303	5.13320991	0.072833609
Residual	5	13.13314	2.626628		
Total	6	26.61617			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	88.43	1.369731	64.56013	1.688E-08	84.90899461	91.95101	84.90899	91.95101
X Variable 1	-0.69393	0.306281	-2.26566	0.07283361	-1.481249311	0.093392	-1.48125	0.093392

Prior Year Real Estate Tax: Collection Trends

The "Prior Year" RE tax collections for the years 2012-2014 were calculated using the Exponential Smoothing forecasting method as shown in the line graph below. The base years used for average smoothing was 2008-2010 (actual) and 2010 (budgeted). The damping factor used in all calculation runs was 50% (50% of the weight given in the smoothing average was placed on the most recent revenue year). The smoothing method was used three times, each time adding the next year's smoothed average (sum) to the base year calculation. The resultant trend indicates an increasing prior year tax collection. An increasing prior year RE tax collection trend means that more people will wait until December of the tax levy year to pay current year taxes.

Exponential Smoothing Calculation Data

		Calc #1	Calc #2	Calc #3
Damping Factor		.50	.50	.50
2008	$35,875	#N/A	#N/A	#N/A
2009	$40,106	#N/A	#N/A	#N/A
2010	$45,212	$35,875	$35,875	$35,875
2011	$40,000	37990.5	37990.5	37990.5
2012	$41,601	41601.25	41601.25	41601.25
2013	$40,801		40800.625	40800.625
2014	$41,201			41200.813

Delinquent Real Estate Tax: Annual Unpaid Trends

The Returned as Delinquent (unpaid portion of current year tax levy) RE tax collections for the years 2011-2014 were calculated using the Exponential Smoothing forecasting method. The base years used for average smoothing was 2006-2010 (actual). The damping factor used in all calculation runs was 50% (50% of the weight given in the smoothing average was placed on the most recent revenue year). The smoothing method was used three times, each time adding the next year's smoothed average (sum) to the base year calculation. The resulting trend indicates a fairly stable trend.

Exponential Smoothing Calculation Data

2006	108791	Calc #1	Calc #2	Calc #3	Calc #4
2007	112027	#N/A	#N/A	#N/A	#N/A
2008	108877	108791	108791	108791	108791
2009	137576	110409	110409	110409	110409
2010	130794	109643	109643	109643	109643
2011	123610	123609.5	123609.5	123609.5	123609.5
2012	127202		127201.75	127201.75	127201.75
2013	125406			125405.88	125405.88
2014	126304				126303.94

Delinquent Real Estate Tax: Collections

The Delinquent RE tax collections for the years 2011-2014 were calculated using the Exponential Smoothing forecasting method as shown in the line graph above. The base years used for average smoothing was 2007-2010 (actual). The damping factor used for Calc #1 was .10 to offset the large sum in year 2007 and to place more averaging weight on the most recent year (2010). The damping factor used for Calc #2-#4 was .50. (50% of the weight given in the smoothing average was placed on the most recent revenue year). The smoothing method was used four times, each time adding the next year's smoothed average (sum) to the base year calculation. The resulting trend indicates a fairly stable trend. A fairly stable trend means that the Borough's delinquent tax collector (Mercer County Tax Claim Bureau) will continue to collect similar amounts as were in years 2011-2014 as were collected in prior years.

Exponential Smoothing Calculation Data

2007	61292	Calc #	Calc #2	Calc #3	Calc #4
2008	35875	#N/A	#N/A	#N/A	#N/A
2009	40106	61292	61292	61292	61292
2010	45212	38416.7	48583.5	48583.5	48583.5
2011	39937	39937.07	44344.75	44344.75	44344.75
2012	44778		44778.375	44778.375	44778.375
2013	42358			42357.688	42357.688
2014	43568				43567.844

Earned Income Tax: Gross Collection Projection Trend

The projected Gross EIT collections for the years 2011-2014 were calculated using a modified the Exponential Smoothing forecasting method combined with an averaged annual percentage differences method for years 2007-2011. First the EIT revenues for 2009 and 2010 were added and divided by two to obtain an average annual collection distribution for years 2009 and 2010 in the amount of $850,186. This calculation was made in order to obtain an averaged collection value for 2009 and 2010 - due to the overpayment error in 2009 by Keystone

Collections; and wherein the overpaid monies were subtracted from the 2010 EIT revenues. An Exponential Smoothing technique was then performed on the base years 2008-2011. The exponential smoothing sum of $847,214 was then divided by 12 and multiplied by 11 to adjust for the anticipated lag in collections in 2012 due to the proposed change in the collection process. The exponential smoothing technique was then performed on the base years 2009-2012 to obtain a sum of $839,556 for 2013. To obtain the projected EIT revenues for 2014, the EIT annual differences in revenues for years 2007-2013 were averaged to obtain the sum of -0.08%. The projected EIT revenues for 2013 was then multiplied by -0.08%. The sum was subtracted from the projected EIT revenues for 2013 to obtained the projected EIT revenues for 2014.

Exponential Smoothing Calculation Data

2008	817161	Calc #1	Calc #2
2009	850186	#N/A	#N/A
2010	850186	817161	#N/A
2011	835000	840279	850186
2012	776613	847214	850186
2013	839556		839555.8
2014	832840		

Local Services Tax Collection Projection

The revenue projection for the LST as shown in Graph RA-18 was calculated by using the simple moving average method for the years 2008-2011, 2009-2012, 2010-2013. The anticipated lag in LST revenues receipts in 2012 was calculated by dividing the sum of the simple moving average ($86,467) by 12 (months in a year)=$7206; and then multiplying by 11 to allow for a one month lag in LST revenue receipts due to the tax collection process change(s) proposed. In 2013, the remaining one month ($7206) was added to the sum of the simple moving average for 2013.

2007	$143,105				
2008	$96,932				
2009	$85,142	#N/A			
2010	$83,794	#N/A	#N/A		
2011	$80,000	#N/A	#N/A	#N/A	
2012	$86,467	$86,467	#N/A	#N/A	
2013	$83,851		$83,851	#N/A	
2014	$83,528				$83,528

2007	$143,105	
2008	$96,932	
2009	$85,142	
2010	$83,794	
2011	$80,000	
2012	$79,261	*(86467/12)*11*
2013	$91,057	*(83,851)+7206*
2014	$83,528	

Licenses and Permits Projection

The Licenses and Permits revenues for the years 2011-2014 were calculated using the Exponential Smoothing forecasting method as shown in the line graph below. The base years used for average smoothing was 2007-2010 (actual). The damping factor used in all calculation runs was 50% (50% of the weight given in the smoothing average was placed on the most recent revenue year). The smoothing method was used four times, each time adding the next year's smoothed average (sum) to the base year calculation.

Exponential Smoothing Calculation Data

2007	102895	Calc #1	Calc #2	Calc #3	Calc #4
2008	95160	#N/A	#N/A	#N/A	#N/A
2009	97147	102895	102895	102895	102895
2010	99419	99027.5	99027.5	99027.5	99027.5
2011	98087	98087.25	98087.25	98087.25	98087.25
2012	98753		98753.13	98753.13	98753.13
2013	98420			98420.06	98420.06
2014	98587				98586.53

Fines and Forfeits Revenue Projection

The Fines and Forfeits revenues for the years 2011-2014 were calculated using the Exponential Smoothing forecasting method. The base years used for average smoothing was 2007-2010 (actual) and each line item was exponentially smoothed separately and then the sums for all lines were equated by year. The damping factor used for most calculations was .50 (50% of the weight given in the smoothing average was placed on the most recent revenue year) with a few exceptions where it was necessary to reweight the smoothing average (such as in the line item – Restitutions to calculate year 2011 where the damping factor used was .10).

The data table below shows the results of the Exponential Smoothing for each of the line items.

PROJECTION DATA	2007	2008	2009	2010	2011	2012	2013	2014
Vehicle Code Violations	$9,402	$13,161	$13,189	$13,685	$12,235	$12,960	$12,598	$12,907
Building Code Violations	$648	$1,247	$100	$0	$210	$20	$190	$40
Parking Tickets	$1,005	$465	$5,525	$4,621	$5,024	$4,661	$4,988	$4,694
Restitutions	$24,780	$25,236	$17,183	$319	$17,984	$17,304	$17,474	$17,432
Dist. Mag./Court of Common Pleas fees	$47,921	$35,005	$30,386	$34,650	$35,925	$35,287	$35,606	$35,447
Stated Shared Fines and Penalties	$6,897	$6,067	$5,724	$6,195	$6,103	$6,318	$6,391	$6,571
TOTAL FINES AND FORFEITS	$90,653	$81,181	$72,107	$59,470	$77,481	$76,550	$77,247	$77,091

State Intergovernmental Revenue(s) Projections

	2007	2008	2009	2010	2011	2012	2013	2014
Narcotics Task Force*	$737	$3,265	$136	$2,436	$2,000	$2,000	$2,000	$2,000
DUI Task Force*	$0	$0	$0	$197	$0	$0	$0	$0
Tobacco Comp Checks*	$420	$0	$0	$0	$0	$0	$0	$0
DARE Reimbursement*	$240	$191	$551	$638	$500	$500	$500	$500
Dept of Justice (Vest Grant)**	$0	$0		$4,177	$0	$0	$0	$0
CDBG Grant (Wage Reimbursement)*	$40,080	$24,906	$16,404	$25,221	$26,000	$26,780	$27,600	$28,400
CDBG Grant (Projects Reimbursement)***	$88,511	$13,618	$23,498	$16,251	$18,000	$18,000	$18,000	$18,000
Liquid Fuels***	$142,926	$157,434	$151,590	$145,677	$145,000	$145,000	$145,000	$145,000
DCED Grant**	$0	$0	$0	$50,000	$0	$0	$0	$0

Public Utility Realty	$3,417	$2,945	$2,893	$3,089	$2,800	$2,800	$2,800	$2,800
Alcoholic Bev. License	$2,300	$3,300	$2,650	$2,350	$2,300	$2,300	$2,300	$2,300
Police Pension ***	$46,112	$52,643	$54,124	$81,954	$74,045	$62,000	$62,000	$62,000
Fire Pension***	$48,806	$54,582	$51,845	$52,047	$47,398	$51000	$51,000	$51,000
Non-Uniform Pension***	$41,472	$22,761	$23,950	$2,307	$384	$30,000	$30,000	$30,000
Volunteer Fire Relief***	$10,843	$11,096	$8,004	$12,012	$12,000	$12,000	$12,000	$12,000
TOTAL USED FOR PROJECTION TREND	$385,364	$321,835	$319,241	$318,761	$304,427	$352,380	$353,200	$354,000

*wage reimbursement ** one-time grant ***restricted/reserved ****offset by expenditures

Projection Methods

Goods and Services projections were made using the NASA New Start Index Inflation Calculator retrieved at http://cost.jsc.nasa.gov/inflation/nasa/inflateNASA.html

Salaries and Wages projections are based on a 3% COLA

Healthcare Benefit projections are based on Getzen, T.E. (2007) *Modeling Long Term Healthcare Cost Trends*. The Society of Actuaries.

Other Personnel Cost projections were made using the 3% COLA projection from salaries and wages and multiplying the current employer withholding rates for FICA and PAUC. No additional expenditures were projected for longevity due to unavailability of data.

Pension Benefits were held at the 2011 expenditure: No additional expenditures were projected over the 2011 pension benefit due to unavailability of data.

Debt Service projections were obtained from Audited Financial Statements and in certain instances (Tymco Sweeper and Police Vehicle Lease) were obtained from staff input.

Workman's Compensation projections are based on the 3% COLA projection for salaries and wages and then multiplied by the average annual rate from years 2007-2010.

Insurance (casualty and surety) projections were using the NASA New Start Index Inflation Calculator retrieved at http://cost.jsc.nasa.gov/inflation/nasa/inflateNASA.html