

DECEMBER 2, 2013 1ST BUDGET HEARING MINUTES

The December 2, 2013 Budget Hearing Meeting was called to order at 7:08 P.M. in Council Chamber at the Municipal Building. Mayor Anthony DeLuca presiding.

APPROVAL OF AGENDA ITEMS

Mayor DeLuca – Good Evening, we will call this meeting to order. The Agenda will stand as presented for the Budget. Will you please stand for the Pledge of Allegiance?

PLEDGE OF ALLEGIANCE

All stood for the Pledge of Allegiance.

ROLL CALL

Dr. Kincaid

Mrs. Kuhn – absent – Son is in the Hospital

Mr. Palumbo

Mr. Underwood – absent

Mayor DeLuca

At 7:10 Mr. Underwood was present at Meeting.

Also present were Manager Rayan, Finance Director Schrecengost, Planning Director Davidson, Secretary Sorce, Controller Futules and Solicitor Alexander.

In audience present were Administration Carson, EMS Director Fitzhenry, Director Senior Services Paciulli, IT Director Day, Asst. Director Public Works Shepard, Director WPCD O’Grady, Code Director McCafferty, Director Parks & Recreation Scaglione, Chief Howard Burton and Director Library Ward.

Mayor DeLuca – o.k. before we get into the Budget Overview and the Public Input this is the 1st Hearing on the Budget. We take input from the public what you like, what you don't like, what you want to see in the Budget and then our next meeting is December 16 for the Budget and that is where Council will give their input about the Budget. O.K. With that Moe will you give the overview?

BUDGET MESSAGE – MOE RAYAN

Honorable Mayor and Members of Council:

The Proposed 2014 Fiscal Plan is hereby presented for your consideration in the form of a General Operating Fund, Sewer Operating Fund, Highway Aid Fund and Annual Capital Improvements Budget.

GENERAL FUND SUMMARY

Fiscal Year 2013 Review

REVENUES: Overall 2013 Revenues for the General Operating Fund are estimated to be higher than the budgeted amount by approximately \$669,191. This increase is presented by increases in the collection of Act 511 Taxes and the various other taxes.

EXPENDITURES: Expenditures for Fiscal Year 2013 is estimated to be below budgeted amount by approximately \$2,890,357. The original 2013 Budget reflected an end balance of approximately \$3,183,742. As a result of close monitoring by Department Directors, the Finance Director and Manager, the Projected End Balance for Fiscal Year 2013 is estimated to be approximately \$6,743,290 as of October 21, 2013.

Year 2014 Summary:

REVENUES: 2014 Revenues are estimated to be approximately \$777,925 higher than 2013. The 2014 Budget as proposed, reflects a \$2,231,031 Fund Balance at Year End. Each Mill of the Tax Rate generates approximately \$1,436,747 in Revenue.

EXPENDITURES:

General Operating Fund Expenditures for 2014 are estimated to be \$32,180,823. This represents an 11.71% increase or \$3,356,107 from the 2013 Budgeted Amount. There are nominal decreases or increases in the overall Budget from 2013 to 2014 related to vehicle and equipment purchases, and capital expenditures.

Contractual wage increases for 2014 include 3.25% for Police. The Municipality is currently in negotiation with the following bargaining units: (1) MEO who represent The WPCD, Building & Office Employees (2) Local 249 who represent The DPW Employees (3) AFSCME who represent The School Guards and (4) PAP who represent The EMS division. A 3.0% wage increase has been proposed for all non-union employees, management and non-management.

Vehicle and Major Capital Equipment purchases and expenditures for 2014 include:

- (1) Manager's Vehicle**
- (1) Police Chief Vehicle**
- (4) Patrol Vehicles – K-9 Units**
- (2) Marked Vehicles – Patrol Division**
- (1) Unmarked Police Vehicle (Investigative Division)**
- (1) Ambulance (EMS Division)**
- (1) Ton Truck with Plow & Spreader (Department of Public Works)**
- (1) Roadway Sweeper (Department of Public Works)**
- (1) Tub Grinder (Department of Public Works)**
- (1) Bucket Loader (Parks and Recreation)**
- (1) Playground Equipment (Parks and Recreation)**

Other expenses attributable to the increase include:

(1) General Obligation Bonds – Principal/Interest	\$ 489,377
(2) Employee Benefits	\$ 782,161
(3) Municipal Insurances	\$ 225,000
(4) Pension Transfers/Act 205 MMO's	\$ 308,532
(5) Building and Structures Improvements	\$1,700,000

(6)Capital Paving Program/Streets and Roads	\$ 820,000
(7)Initial payment for Fire Protection Equip. (SCBA) for our Local Seven Volunteer Fire Companies	\$ 130,000

The majority of General Operating Fund Revenues are realized through Real Estate Tax Collection, Earned Income Tax Collection and Realty or Deed Transfer Taxes. The Municipality provides many services including 24-hour Police Protection, Fire Protection, Refuse Removal, Recycling, Road Maintenance and Paving, Street Lights, Parks and Recreation, Library, and Senior Citizens Services. Increase costs associated with the provisions of Municipal Services are being completely absorbed by The Municipality.

We continue to be in the midst of an extraordinary financial crisis and current economic climate has contributed to a substantial increase in expenditures for all levels of Government. The increase in Expenditures that we are currently facing is not expected to disappear any time soon.

The Proposed 2014 General Fund presented to you provide for a Positive End Balance of \$2,231,031 to offset any unforeseen Emergencies.

Accordingly, I am recommending that Mayor and Council vote for The Budget as proposed to maintain a Fiscal and Sound Budget.

SEWER FUND SUMMARY

Year 2013 Review

REVENUES: Sewer Fund Revenues for the Year 2013 are projected to be lower than the 2013 Budgeted Amount by approximately \$390,850 which is attributable to no rate increase by ALCOSAN for 2013.

EXPENDITURES: Sewer Fund Expenditures for the Year 2013 are projected to be lower than the 2013 Budgeted Amount by approximately \$1,133,400 which is attributable to ALCOSAN Rental

Expenses, personnel wages and benefits, utility costs and close monitoring of the Expenditures across nearly every line item.

As a result of close monitoring by the Water Pollution Control Department Director, the Finance Director and Manager, the End Balance for Fiscal Year 2013 is estimated to be approximately \$3,870,747 as of 10/21/13.

YEAR 2014 Summary

ALCOSAN, through a News Release on 10/24/13, announced a Rate Increase of 17% for 2014. However, the Revenue figure only reflects the 2nd, 3rd, and 4th Quarter of 2014. This Revenue increase will be offset by an increase in our Expenditures remitted to ALCOSAN.

REVENUES: Sewer Fund Revenues for Year 2014 are projected to be higher than the 2013 Estimated Amount by approximately \$433,328 which is attributable to ALCOSAN's Proposed 17% increase and the Municipality working close with the Sewer Fee Collection Agencies and adhering to a strict collection policy.

EXPENDITURES: Sewer Fund Expenditures in Year 2014 are projected to be higher than the 2013 Budgeted Amount by approximately \$381,556 which is attributable to a strict compliance with the DEP Consent Order and Agreement, capital equipment and building upgrades/repairs. The Proposed 2014 Sewer Fund Budget reflected an End Balance of \$1,462,693. The Municipality will continue to proactively deal with sewage issues and move forward toward maintaining a stable Sewer Operating Fund through Professional Project Management and the careful monitoring of Expenditures.

The Ending Balance for Year 2013 does not reflect any Debt Restructuring or Refunding. However, The Municipality continues reviewing proposals to refund its Debt to minimize the burden on its residents.

HIGHWAY AID

The 2014 Proposed Highway Fund (Liquid Fuels Fund) provides for approximately \$782,828. However, portion of this payment is based on the State's Motor Vehicle License Fund Taxes to be collected during the remainder of 2013. Therefore, changes in consumption or wholesale prices could affect the final payment amount. All approved Liquid Fuel Projects are detailed in the Highway Aid Outlay Summary contained within this Document.

CAPITAL IMPROVEMENTS FUND

2014 Summary:

The 2014 Proposed Capital Budget provides for \$329,600 in funding for a small variety of Capital Projects related to Public Works, Sanitary Sewer System, Municipal Owned Facilities, Parks, Library, Public Safety and Information Management Systems. Funding sources include Grants and Bonds Refunding proceeds.

Many project requests will remain unfunded until Federal or State Grants can be secured or other revenue sources have been identified.

All approved Capital Projects are detailed in the Capital Outlay Summary contained within this document. Specific details for particular projects may be obtained through the Planning Department.

The 2014 Proposed Fiscal Plan as presented is balanced and it does not require a tax increase.

Department Directors will continue to be held accountable in 2014 to ensure their department expenditures remain within approved Budgets. In addition, the current stressful financial environment presents additional challenges to the Administration, Staff and Members of Council and we all must continue to make extra efforts to control cost in order to continue to improve services to our residents and businesses above the current levels.

Before I conclude the Budget Message I would like to recognize and commend the Department Directors and Division Supervisors for their hard work and for looking out for their respective department and being sensitive to our tax payers of Penn Hills. Also on a good note, we were able to negotiate with the MEIT Municipal Employee Insurance Trust it will lower our medical hospitalization and drug plan what Highmark proposed for us in 2014.

Also, I would like to commend the Finance Director for working with me throughout several versions of this Proposed 2014 Budget to arrive to these figures and these documents before you this evening.

Sincerely, Mohammed F. Rayan, Municipal Manager

Mayor DeLuca – thanks Moe. Before I open up for Public Input if you have a cell phone if you can mute it during the meeting that would be thankful. O.K. we will open up for Public Input. Does anyone have any questions about the Budget?

Jim Carnahan – 201 Jefferson Road – I noticed on this Budget you must have changed the format you used to have this as the Manager’s Budget and why are the Council figures the same as the Managers?

Mayor DeLuca – any changes Jim will be reflected. Don’t worry about that column yet. It was a mistake.

Jim Carnahan – it threw me off. The format has been like that for years. It was just the Manager’s Budget. On these salaries for the Senior Center they used to figure out if they didn’t have the figures they either plugged in either 2.5 or 3%. There is nothing shown on there. When is the reflection on the salaries going to be?

Moe Rayan – we are still in negotiations with the MEO.

Jim Carnahan – what they did before Moe is they plugged in either 2.5 or 3%.

Moe Rayan – well I don't know where we are going to end up so we left it alone at this point Jim. We might end up at 1%.

Jim Carnahan – yes, it could be. Alright I am looking forward to the next meeting, thank you.

Mayor DeLuca – any other input?

Irene McLaughlin – 8908 Upland Terrace – I am here on behalf of the Penn Hills Community Development Corporation Housing Committee as well as a resident and mostly want to express the Housing Committee of Penn Hills CDC support of what I understand embedded in this Budget is the promotion of the current Acting Director to a full time Code Director. Is that correct and is that still in the Budget?

Moe Rayan – that is correct.

Irene McLaughlin – so we very much support that and in addition to that the opportunity with that change to fill and open a full time position in the Code Enforcement Department.

Mayor DeLuca – yes as he moves up there will be a spot open.

Irene McLaughlin – so yes very much and encouraging that to happen and I understand that it would happen with this Budget as of January 1 as far as the full time Code Director Position and then I guess he would have the opportunity to move with the hiring of that open position on January 1.

Moe Rayan – well January 1 if the Budget is approved the Acting Department Director will move into the Department Director's spot and then what happens after that we will have to evaluate the Department in whole and move accordingly. There is nothing set in the Budget that we are going to hiring somebody January 1. There is a process that takes place for that in terms of advertising, looking in the needs of that position as we discussed I believe it was the last time you were here we mentioned other people are taking classes for that particular

task and with the assistance of the Code Department Director and the Planning Department they are going to have to work through that Housing Coordinator's Position.

Irene McLaughlin – we would certainly encourage that evaluation and moving on filling those positions certainly giving those who are within the Department already the opportunity to do so to happen as quickly as possible in the first quarter 2014. Could I get an understanding because I do get a lot of different information from peoples assumptions about the actual Code Enforcement Staff so I have page 69 in front of me and you thoroughly explained to me that there are two positions that cannot be filed because of the litigation situation. Could you point them out to me and point out what would be the open position and who actually fills the positions currently? I guess I don't need to know about the Zoning Hearing Board but the others would be helpful so I can clearly express to the Committee Members who is who and what is open.

Moe Rayan – what is currently open is a Code Enforcement Crew Leader

Irene McLaughlin – well if I understand that when you say open that is not one of the two vacancies at this point.

Moe Rayan – it is one of the two vacancies.

Irene McLaughlin – o.k. so that is the litigation, one of the litigation positions and the other?

Ed Schrecengost – Enforcement Officer III.

Moe Rayan – instead of having three right now we have two and the third one is also in litigation.

Irene McLaughlin – o.k. so great so the ones that are in litigation are one of the Enforcement Officers III and the Enforcement Officer Crew Leader.

Moe Rayan – correct.

Irene McLaughlin – so and John McCafferty would be coming into the Code Director Position so what position is he leaving?

Moe Rayan – Acting Director.

Irene McLaughlin – which isn't listed here.

Moe Rayan – because it is for the Proposed, that is the Proposed 2014. It is listed in the 2013 Budget.

Irene McLaughlin – it is listed in the 2013 Budget. This is the Proposed 2014 Budget so his current position isn't listed here.

Moe Rayan – Code Director, Building Maintenance Superintendant that is John's Proposed 2014 Position. His current 2013 Position is an Acting Code Director and the Building Superintendant.

Irene McLaughlin – yes and I did have a question just about that Manager Rayan the Building Maintenance Superintendant along with Code Director, what is that?

Moe Rayan – basically John takes care of anything that is needed in terms of maintenance for the building not physically doing the work it just kind of coordinates with the particular Division or the Department attending to their needs if they need something done to the building. The Municipal Building or other Municipal Facilities.

Irene McLaughlin – so Building Maintenance Superintendant is actually a Municipal Building Position, Municipal Facilities Management?

Moe Rayan – no – Superintendant, Maintenance.

Irene McLaughlin – that is different for me. I do have an appreciation generally of Code Enforcement Departments and this is a really good one in a lot of respects and it is interesting and I did see in

the organizational chart that the Code Director actually reports to you versus being connected with The Department of Public Safety which is often the case because in deed Code Enforcement Officers are Law Enforcement Officers under the Rules of Criminal Summary Procedure. So I apologize for being slow on this. So in addition to being Code Director that position includes doing facility maintenance?

Moe Rayan – overview, oversee.

Irene McLaughlin – that to me would seem to be something that would fall under Administration. So our point is as the Housing Committee in understanding this Budget is to encourage and support as you are doing and have done in the past resources for Code Enforcement they are often overwhelmed with permits and with demos and apparently with facility maintenance overview and the stuff of quality of life in our neighborhoods as you all know very well often is short changed because they just can't get to those complaints that people file through your on line complaint process which we have been promoting very much and really want to see that people see that those complaints are followed through and we were seeing that a year ago, we were seeing that and we were really pleased and working very much in wanting to support our Code Enforcement Officers and in this past year we saw that was not happening. Especially through the Summer and we had a very rainy Summer and there was a lot of over growth, it was a tough Summer but we are looking forward to new leadership and leadership that really has the full opportunity to not just deal with permits but also to deal with the non-permitting quality of life issues that are so important to this Community and certainly the Housing Committee believes because it is just that preventative edge on making sure that everyone knows what our minimal Community standards are for basic property maintenance. I do appreciate it and again my main goal here was to support what is in the Budget under the Code Enforcement Department and I did have those questions and I do appreciate the responses. If I might ask one other question, we had talked about these Housing Coordinator duties and again it is not clear to me in the Budget where they fall but John as Acting has been doing them, is he going to continue to do those functions as well?

Moe Rayan – sure definitely nothing has changed, some of that work was absorbed by the Planning Department and it will still be under John’s supervision as well and Howard’s supervision.

Irene McLaughlin – definitely a supervision but does he get some relief from some of those duties as he becomes Director?

Moe Rayan – yes, Chris Blackwell has taken some classes and he is going to be helping John with that.

Irene McLaughlin – that is beautiful. I think. I did notice that in the Budget that the Fire Marshall Position is vacant and you know again there is lots of ways that Communities with limited resources are really working very creatively and in new ways to deal with Code Enforcement fire prevention and fire duties are very much aligned and a lot of way with Code Enforcement. In Swissvale the Fire Chief is actually the Code Enforcement Director as well and doing some really interesting stuff in limited resources. Very much coordinated with Fire Code and Police. I just wanted to know what is the plan for that which I image is a very critical position as well?

Mayor DeLuca – that is something that me and the Manager have been looking into. We would like to change that position around a little bit. It is something we have to discuss with the fire companies before we take any action.

Irene McLaughlin – yes that would make sense. So, is there a way for the Housing Committee to continue to be a part of this process as we go into the new year around the evaluation of the Budget and those kinds of details about who does what and that kind of coordination between Departments?

Moe Rayan – absolutely, yes you can give us a call anytime or talk to John.

Irene McLaughlin – he is busy. I don’t want to take his time. I know you are all busy.

Moe Rayan – I am not. I just sit up stairs. You can call me.

Irene McLaughlin – alright.

Moe Rayan – but to answer the Fire Marshall question before I get distracted here, the Fire Chiefs they have been handling all of the Fire Marshall tasks or duties in terms of responding to fire preventions and all of our seven companies each one is in charge of its own jurisdiction and they do provide the fire prevention and so on for our Community so that position is not filled but the work is being continued. So I wanted to make sure that you were aware of that. Our Fire Chiefs and most of our fire companies Chiefs, Officers and members are sitting in the audience here tonight.

Irene McLaughlin – oh absolutely. And once again I appreciate that very much and I am sure they are doing amazing work and have certainly taken on those responsibilities and again it is about if you have the opportunity especially with the surplus that you have to fill these leadership positions to be able to really direct that very well coordinated and focus on our neighborhoods and blocks all the better as you all know. So thank you again for the proposal we are very much the Housing Committee of the Penn Hills CDC is very much in support of the promotion of John McCafferty to full time Code Director and the filling of that position with a lot of ability to truly take leadership in that position in the Department and as quickly as possible in the first quarter of 2014 the filling of that open full time position that will be created assuming the Budget is passed.

Moe Rayan – created for what. There is nothing being created.

Irene McLaughlin – I am sorry, maybe that is the wrong word to say is created.

Moe Rayan – well at least at my level I am not creating anything it will be up to Mayor & Council. It could be reinstated but the task itself and the duties are being absorbed by another employee.

Irene McLaughlin – which is overburdening another employee where it seems that in the Budget that there is the opportunity for a position in addition to the Director Position to be filled.

Moe Rayan – opportunity in terms of monies. Correct is that what you mean?

Irene McLaughlin – and in terms of the actual allocated positions. Maybe I misunderstood going through the chart again on page 69 and I don't know if I got as far as I should have. We have two positions they are both filled and the third is the litigated one then we have a Crew Leader that is a litigated position that can't be touched and then we have a secretary I assume that is filled so there is no other Budget position to be filled because of John's taking on the full time Code Enforcement not acting position? So maybe it was my interpretation of what was said last week and what was in the article that was in the Trib saying as of January 1 with the promotion as part of the budget there will be an open position to fill and we just talked about that evaluation of the department and the possible advertising and the process of filling a position.

Moe Rayan – yes I am sure I did not tell the paper there was an open position as of January 1.

Irene McLaughlin – paper is not always accurate.

Moe Rayan – I didn't even read the article.

Irene McLaughlin – they have you as being quoted and that is what I had understood as well and that is why I came up with two different things that I am saying on behalf of the committee that we support not only the full time Code Director Position and John being promoted there but my understanding and our understanding that there is still another position to be filled in 2014.

Moe Rayan – on page 69 these are the positions that we are proposing at this point. It will be the Code Director, three Enforcement Officers Level III, one Enforcement Officer Crew Leader

and one Secretary. Those are the Proposed 2014 employees in the Code Enforcement Department.

Mayor DeLuca – John’s responsibilities what he was doing has been spread out to other employees?

Moe Rayan – correct.

Irene McLaughlin – was that done back in some previous year’s budget. Because there was a position filled by Bob Hunter, right?

Moe Rayan – yes.

Irene McLaughlin – and Bob Hunter left.

Moe Rayan – correct.

Irene McLaughlin – John had been on staff while Bob Hunter was here, John continued to do the work that he was doing as an employee under Bob Hunter. He was named acting Director and now becoming full time Director it seems that there should be a position that is still available to be filled once he makes that transition. I know I can’t find it here either. You have explained it but I still don’t understand.

Moe Rayan – I don’t know what else to say. John did the Housing Coordinator and took care of the Acting Director’s Position along with the building maintenance inquires and so on and so forth.

Irene McLaughlin – so is housing, you have mentioned that a lot, Housing Coordinator Position is that in here on page 69.

Moe Rayan – no the title is not there. The work will continue to be done for that particular title.

Irene McLaughlin – by...

Moe Rayan – by Chris Blackwell assisted by the Planning Department Director Howard and John himself.

Moe Rayan – so there is no one position pays x amount of dollars in 2014, no this is it, it is gone at this point. That particular position was phased out for the work to be handled by other employees so that is why you are not seeing it there.

Irene McLaughlin – so then over the last two or at least the last year at least the loss of a Code Enforcement Staff Position that had been in the Budget prior to Bob Hunter’s leaving and it has been farmed out to other people like a Chris Blackwell?

Moe Rayan – John assumed the duties of Bob Hunter after his retirement.

Irene McLaughlin – and Bob Hunter was the Director and John was under him. Two different positions.

Moe Rayan – yes.

Irene McLaughlin – now John is taking Bob Hunter’s position but there is no vacancy being left because you are saying that you have farmed out those responsibilities to others. So can I accurately report back to the Housing Committee that we actually lost a Code Enforcement Staff Position over the last year?

Moe Rayan – it has been longer than that since Bob Hunter retired.

Ed Schrecengost – 2012.

Moe Rayan – since Bob Hunter retired.

Irene McLaughlin – so since 2012 Bob Hunter retired at the end of

Ed Schrecengost – in the beginning

Irene McLaughlin – I was going to say at the end of 2011 so I am a Budget Hearing year too late.

Moe Rayan – two of them. But again the work that was done by Bob Hunter he also had the superintendant’s position he took care of the building municipal facilities maintenance and John did the ADA work and other duties of the Housing Coordinator. When John assumed Bob’s work he maintained that particular task and towards the end of this year other evaluations where done and that is the time I believe when I had a discussion with you as far as the Code Enforcement Department and various tasks that were farmed out or phased out to other employees.

Irene McLaughlin – well that is not good for Code Enforcement but in the last year since 2012 that position was essentially evaporated in the department and I do believe that this is a department that doesn’t need to lose any focus on Code Enforcement it needs to have people that can be focused on Code Enforcement. And again I know we have seen and this is the opportunity now for Public Input the Budget isn’t actually adopted yet, and I do believe that we have seen a tremendous deterioration in dealing with the complaints that are not permits but are the non permitting activity that requires a Code Enforcement Officer to go out and observe, write a notice and do all the process that is involved. I haven’t heard any of those kind of functions being taken up by Planning or anybody else or nor should they. They should be Code Enforcement Officers.

Moe Rayan – well the Housing Coordinator doesn’t do any Code Enforcement work.

Irene McLaughlin – well that is fine.

Moe Rayan – right so in terms of that what you are seeing or you seem to think that there is deteriorated in fulminating and other Code Enforcement issues also you may want to realize that we have been short in staff for two years that we cannot replace at this point.

Irene McLaughlin – I understand that. You have made that perfectly clear and I do understand that is a problem but again we also lost and from my perspective a position that had been in this budget

back in 2012 and I think there is a lot of confusion because of those litigation positions about what was happening with the Budget and I would strongly recommend that that be put back in again. A John McCafferty stepping into a Bob Hunter and a John McCafferty position being open and I do understand he is taking on and carried on with duties that he has had with new duties that Bob Hunter did and yes Housing Coordinator may be able to go to Planning Department, I am not sure about that and Building Maintenance Superintendant my recommendation would be that that is an Administration function that should not be under Code Enforcement whatsoever and that we need more Code Enforcement Officers who can actually deal with all the work including those complaints that constituents put into that department to be processed which has not been happening in this past year.

Moe Rayan – two positions are vacant again.

Irene McLaughlin – I understand and I am saying in addition to them we certainly need them I understand it is going to continue to be very difficult and I know and you have explained very well that that is beyond your control, those are litigated positions, however, I do think you do have the opportunity to put into this Budget at least one more and I believe it would be the Enforcement Officer III position. But you know this better than I do. But again my point is I do believe that that position that was lost in 2012 should be replaced in 2014 especially because your hands are tied and you can't get those two positions filled. So that is my input on behalf of the Committee and do I get to come back December 18?

Mayor DeLuca – December 16.

Irene McLaughlin- oh December 16 to see if you make some adjustments on that?

Mayor DeLuca – that is when Council will give their input on the Budget.

Irene McLaughlin – o.k. thank you for all of my time up here. I hope I have made myself clear. Does anyone have any questions for me? O.K. thank you.

Mayor DeLuca – is there any more input into the Budget?

Don Sanker – 780 Long Road – Before I begin on the Budget, Moe at the last meeting I reported to you that there was trash on Beulah Road, I gave you an address it is still there.

Moe Rayan – I did report that to Code Enforcement.

Don Sanker – I am following up her on purpose, I am following up her message on purpose. Two weeks ago at this meeting a regular council meeting I indicated that there was an issue on Beulah Road regarding a big trash thing, I was asked to give you a call the next day which I did, gave you an address, it is two weeks later and it is still sitting there. It is a Code Enforcement issue.

Moe Rayan – o.k. well hold on the Code Enforcement Acting Director is sitting in the audience and I can ask him what happened after I gave him that phone number and what is the process and he can explain that to you.

Don Sanker – that would be fine too.

Moe Rayan – because it is not going to happen the next day. He has to send letters out.

Don Sanker – it has been sitting there for two months.

Mayor DeLuca – John real quick do you want to come up here and explain.

John McCafferty – It is not a garbage bag it is a dumpster bag and we were told that it would be removed and I am actually not sure why it hasn't been removed yet but we were told that it would be removed and that is where it sits.

Don Sanker – I drove by there today to be sure before I came up here and it is still there. Thanks John. I am going to take some responsibility for my next comment in that I got about 26 bags of leaves sitting at 790 Long Road they actually belong to the resident at 780 Long Road which is me along with a number of other families on Long Road and some families on North Homewood that would appreciate the leaves to be taken. They fell down very very late this year as you know and as a result I put them out a week ago. I apologize, I did not make the phone call but I know somebody that did and they haven't spoken to anybody yet. So whether my phone call would have been listen to or not I don't know but they are sitting down there and I would appreciate if somebody eventually would pick them up. One of the things I would suggest to the Municipality is you seriously consider upgrading technology. It is very difficult to do searches on a Municipal Web-Site. You just have to keep scrolling and scrolling and scrolling but you can't do a search. You can't just say hey where is this. And Mr. Mayor I have a question for you what message do you have on the web-site.

Mayor DeLuca – yes we have to change that Don.

Don Sanker – seriously it is a 2009 message which gives very great sadness to the passing of Officer Michael Crawshaw. That is the message that has been sitting out there now for four or five years. It has to be updated Mayor, we have a more positive message to give to the citizens of Penn Hills besides that very unhappy incident. There is money in the budget I am going to call it the ambulance center to be located on Frankstown Road, \$600,000 from the Municipality which is in the budget and \$600,000 which is in a Grant. A couple of questions. Do we know that the cost of doing this is \$1.2 million and if not what happens if when the bids go out and the cost is \$1.5 or \$1.6 million? What do we do then?

Mayor DeLuca – Don we only have the Grant Agreement in. normally you have to fill out the paperwork.

Don Sanker – we have \$600,000 in the budget for it.

Mayor DeLuca – we know it has been approved by the State.

Don Sanker – we know the Grant money has been approved by the State but we haven't received it yet. Assuming we are going to receive it and we are going to build it, if it goes over the \$1.2 million who is responsible for any increases, the Municipality?

Mayor DeLuca – I am going to tell you now any building you know you aren't building a building for \$1.2 million.

Don Sanker – you are getting to my point.

Mayor DeLuca – so you know if we do build a building it is going to cost and we will have to find money for it.

Don Sanker – is there agreement on Council to build the building?

Mayor DeLuca – Don there is nothing in the pipe this is something they submitted a grant never knowing that we would score on it and we scored on it.

Don Sanker – Are we going to take advantage of it?

Mayor DeLuca – definitely we are going to take advantage of it.

Don Sanker – therefore, we are going to spend the money. The issue is is it going to occur in 2014 or in 2015, is that really what we are talking about we just really don't know.

Mayor DeLuca – yes we need the paperwork and stuff.

Don Sanker – o.k. I won't go to the rest of that discussion then. On Page 79 there is \$185,000 in there for a recycling tub grinder, is that being paid for by grant money?

Moe Rayan – yes.

Don Sanker – is it all coming from grant money or is it mostly coming from Grant money?

Moe Rayan – less 10%.

Don Sanker – I normally don't speak out on behalf of the CDC because I have not been asked to speak on their behalf but I am aware that a number of events occur now at the Barn, I am going to call it the Barn on Jefferson Road because the CDC rents it out to many organizations for parties etc. One of the issues there is the lack of parking at the Barn. Because of the lack of parking at many of the events people are encouraged to park up at the Senior Citizen Center which most of us do but walking between the Senior Citizen Center and the Barn at night is very very dangerous. There are no sidewalks. I know I have talked to Howard and I know that he has indicated that it is in the 2015 Capital Budget. For safety purposes I would encourage Council to consider moving it into the 2014 Capital Budget. It is not a long distance, I don't know if it is 300 yards probably isn't that long but you have some fencing from folk's yards, some asphalt and some grass depending on where you are walking. If you are forced out on to the road and you are walking back you are walking not against traffic but you are walking with traffic and it becomes very very dangerous so I am encouraging you to consider moving that project up into 2014 as opposed to leaving it in 2015. At a previous meeting I spoke to you about recycling in Penn Hills, at one time this Community led most of the communities

Mayor DeLuca – Don if you are going to go into recycling, does it pertain to the Budget?

Don Sanker – I am sticking to the Budget Mayor.

Mayor DeLuca – o.k.

Don Sanker – I believe and I would encourage Council to consider reopening the Contract from Trash Collection and open it up to include automatic recycling in Penn Hills. The increased cost proposed was approximately \$500,000. I suggest it is not that much money. I

suggest that for two reasons. First of all if we increased the recycling in Penn Hills we would substantially reduce landfill expenses. Secondly we would receive increased performance grants. Therefore as opposed to 1/2 million we may be talking \$300 - \$400,000 not 1/2 million dollars. We are spending enormous sums of money in this budget to dump very useable recyclable material into landfills. It is a waste a total waste of tax payer's dollars. I know at the last meeting when I spoke about it that the comment was made by Mrs. Kuhn that we don't want to penalize those who don't recycle. I would like to change that wording. I would like to say that we reward those who do recycle. I dump nothing into landfills that can't be recycled as you know down to the little piece of cardboard inside the roll of toilet paper in my residence it gets recycled. We are using taxpayer's dollars and we don't need to do that because we know from other Municipalities who have gone to automatic recycling that they have increased the amount of recyclable materials substantially so I do not view this as a \$500,000 expense. It is substantially less and with the surplus that you have I think you have the opportunity to spend a little bit of money to put this community forward instead of going backwards on that particular issue. I will be back in two weeks. Thank you.

**Mayor DeLuca – thanks Don. Are there any other comments?
Mickey.**

Mickey O'Connor – 1095 Maple Avenue – I apologize for being late so I hope I don't bore you with something you have already heard. I preempted Moe on this so he is aware of what I am going to talk about. I am back again. I am called the overcharging of the Plum Creek Residents. You are automatically passing on \$6.31 to these residents, i.e. ALCOSAN. Their sewage isn't treated by ALCOSAN, it is treated by Penn Hills. This document makes it very hard to figure out the true cost of the Plum Creek Treatment Cost because there is nothing in here dealing with what Plum Boro pays us. I don't think the outside user fee that you have listed here applies to Plum Boro which I would think after all the Consent Decree stuff you went through that they had to do a Cost Rate Survey for Plum Creek for that Agreement which I think should reflect the treatment cost of the sewage going

through Plum Creek, i.e. like ALCOSAN tells you what their treatment cost is for going through their plant. We don't have that we can't prove. I am sure Mr. O'Grady could dig it up and find it what it cost to treat the sewage at Plum Creek and I would say if it is more than \$6.31 but I don't believe it is because our rate hasn't changed for a long time which includes a treatment. We all pay the \$15.00; we all pay the maintenance cost which is built into this Budget. There is a different treatment cost. My sewage goes right to ALCOSAN with a couple left turns. My rate is \$12.17. I don't believe the Plum Creek rate should be \$12.17 and it is a good many users in the Plum Creek and Lincoln Park Water Sheds. I think you should come up with some type of rate structure or something to keep yourself at a happy medium here with what is going on.

Mayor DeLuca – just a real quick comment Mickey. Any improvements if you separate the costs at what we did down at the Plum Creek do you realize those rates would jump through the roof. I mean a one million dollar project when you are dividing a project against everyone in Penn Hills and you separate it to a separate to a smaller base it is going to cost the residents more so any project we do at the Plum Creek is going to cost those residents more in sewage instead of spreading the cost out entirely.

Mickey O'Connor – as it should be Plum Boro. I think you are locked into a Plum Boro rate.

Mayor DeLuca – no that was a court case.

Mickey O'Connor – I know but I think you are locked into it though so Plum Boro is getting a break off us.

Mayor DeLuca – No they are paying our share. 54% for any cost.

Moe Rayan – for any capital improvement or anything that happens they will be pay 54% of that.

Mickey O'Connor – what about the treatment cost for what we are treating for them, has that changed or is that locked in?

Moe Rayan – that is a Contract at this point. It has not expired yet and Mickey you and I discussed that in the past as far as going and districting the Township or our Municipality here you do know we have Lincoln Park which would be one district and then you have the Plum Creek Residential Area that would be another district and then you have the rest of the Township so now in order for us to go ahead and district that just to keep track of the paperwork itself will add to the complication of this whole thing. You have to go by Sewer Sheds plus as the Mayor mentioned actually since probably from 2010 to date we have spent real close to about \$5 million dollars in plant improvement and there are residents down at the Plum Creek if they would have to absorb that on their own you are talking about at least a figure between \$5 to \$7 dollars. You are talking about \$500 - \$600 per EDU Equivalent Dwelling Units and it is not as easy as it seems. The cost wise is just buying powers you have to spread the cost amongst the 21,000 customers versus the 2,000 or the 2,500 customers in that area. You just can't select a group of people and tell them we are going to charge you x and the others you are going to charge them a different rate and then when something happens you are going to be increasing and decreasing these rates on an annual basis just because we are doing improvements on an annual basis. It is just not feasible to do that. In our opinion and I am sure I can back that up with engineering data in terms of calculations of the projects that we have done and how much it is going to go on top of those current rates if those folks are going to be by themselves trying to absorb the cost and be reassessed for that.

Mickey O'Connor – four years from now how are the people going to feel when ALCOSAN is going to be up about \$12.00. Because you voted to pass on any increase from ALCOSAN automatically to all the users. You did that three years ago.

Mayor DeLuca – Mickey you have to understand something. There is our fee. Our fee goes into maintaining our lines. There is nothing you can do. Even right now if you didn't pass the cost on it it is less money that you can upgrade our sanitary system. There are projects we have to do. So what is our options float more bonds like

the previous administrations did to do projects. You can't do that. I mean you have to do pass on ALCOSAN's fee. I think the mistake was years ago when they tapped into ALCOSAN. I believe they were trying to get rid of treating sewage and it is going to cost the residents of Penn Hills even more money because they tapped into it.

Mickey O'Connor – I understand that but the people in Plum Creek and Lincoln Park realize that they are going to pick up this increase for the next whatever. It is going to go on and on and on and I don't think it is fair.

Mayor DeLuca – like Moe said o.k. if you separate those costs out o.k. you have a smaller base to separate the cost out and the rates will jump through the roof so when they are paying \$20.00 when everyone is paying \$20.50 what are you going to tell the residents we separated you out this is what you have to pay for the upgrades.

Mickey O'Connor – I would like to see some type of analysis what it would be if they separated it out.

Mayor DeLuca – Mickey if you look at it when you are dividing a cost among like 20,00 residents if you bring the base down to like 10,000 it is going to cost you more for whatever cost it takes us to do the improvements over there. Do you understand?

Mickey O'Connor – I understand.

Mayor DeLuca – you can't divide. The only way you would save money is if that system is like totally like brand new and we had no cost to sink into it for another ten years and that is not going to happen because our sanitary systems are old.

Moe Rayan – Mickey if you are looking for figures actually the numbers I have here they are kind of old but based on the \$3,000,000 improvements to the Plum Creek Plant, Treatment Plant it calculates to an increase of approximately \$342 per EDU and that equates to an increase of approximately \$5.70 per thousand gallons on the three million dollars and the three million dollars are on the low side. You

have sat here at meetings when Mayor & Council passed contracts for two, three million dollars at a time and that is just in the past four years.

Mickey O'Connor – and that factors into Plum Boro paying 46% or 54% of that?

Moe Rayan – yes. I am not telling you anything you don't know.

Mickey O'Connor – I just don't feel it is right. Thank you for your explanation and time.

Ed Zullo – 113 Elizabeth Drive – Good Evening. I wasn't going to speak but whenever somebody starts talking about the sewer system I kind of perk up. One thing I suggested a while back maybe three years ago was eliminating these sewage treatment plants and pumping directly into the ALCOSAN line and letting them treat the sewage so I don't know what the problem with that is but you ought to do an analysis to see if that would make any economic sense because yes you have to put a couple million to tap in to begin with but then you save a lot of money down the line. So I am just making that suggestion.

Moe Rayan – well actually Ed that was part of our feasibility study that we had to submit to the EPA as recent as July and part of that was eliminating some pump stations. Looking at perhaps gravity lines going directly in the ALCOSAN, one of them was that Lincoln Park Pump Station so we are looking at those options and that was part of our feasibility study submission to EPA and actually right now we are looking at regionalization with other communities through the ALCOSAN lines and that is really just in the works. I attended the first meeting on the 25th and that is an ongoing thing. ALCOSAN is looking at taking some of the lines the larger diameter lines and it all depends on how that is going to end up. We have a lot of money invested in our sewer system so.

Ed Zullo – well you are doing a good job and the sewer guy is winning awards and everything so I guess I just wanted to bring that up and it sounds like you are heading in the right direction. Thank you.

Mayor DeLuca – are there any other comments? No. We will call this Public Hearing and we will adjourn it. All in favor of adjourning the meeting say I.

AJOURNMENT

Mayor DeLuca adjourned meeting and everyone agreed and the meeting ended at 8:17 P.M.

DATE

**MAUREEN M. SORCE
MANAGER'S SECRETARY**