

## **DECEMBER 4, 2017 1ST BUDGET HEARING MINUTES**

Mayor Kuhn - I see a full house for our Budget Hearing and I appreciate everyone coming out. Before I call the meeting to order I just wanted everyone to understand exactly how the Budget Process is completed. The Home Rule Charter states that we need to have at least two Budget Hearing Meetings. This Mayor & Council and Management has three. The First Budget Meeting which is tonight is basically information that the audience is going to give and the residents pertaining to the Budget itself. The Budget that is presented as the 2018 Penn Hills Municipality Budget is a Budget that is prepared by our Manager and the Directors. Mayor & Council do not have input on the Budget that is presented to you tonight. This is what because of the fact we are a Home Rule Charter the Manager is in charge of the day to day daily workings of the Municipality and Mayor and Council legislates so he and the Directors works for months to get this Budget together and they present it to Mayor & Council to go over and at the same time they present it to the public. Our first meeting is for the public to give us their take on what is on the Budget and what they feel isn't necessary and if they have any solutions that we can cut the Budget in any way. It is for the input for the taxpayers and residents to give to Mayor & Council. That way Mayor & Council has the information from the Manager and the Directors and then we have the information from the residents. At that time we take both of them in and then on the 18th then on December 18th we have our Second Budget Hearing and at that time after we have listened to your remarks and the Manager's Proposal that is when Mayor & Council give their comment on the Budget. We don't give them tonight. I don't want anyone to think oh we aren't paying any attention we don't care, we aren't even answering the residents. Tonight it is for information so when you present your information to us that is what we take with the Managers and then on the 18th we will present what our findings are and then on the 29th of December is when we actually vote on approval on the Budget. So I just wanted everyone to be aware of how the process goes in case you are new and not familiar to it. With that being said if we could stand for the Pledge of Allegiance.

### **PLEDGE OF ALLEGIANCE**

All stood for the Pledge of Allegiance.

### **ROLL CALL**

Mr. Brodnicki - Mayor Kuhn - Mr. Brodnicki had notified me that he is out of town.  
Mrs. Sapp  
Mr. Underwood  
Dr. Kincaid  
Mayor Kuhn

There being no further discussion the Roll Call was 4 present and 1 absent.

Also attending were Rayan, Manager, Sorce, Manager's Secretary, Schrecengost, Finance Director, Dice, Solicitor, Blackwell, Planning Director, Minsterman, Engineer, Burton, Chief, Carson, Administration, O'Grady, Director WPCD, S. Shepard, DPW, McCafferty, Director of Code Enforcement, Miller, Fire Marshal, Zeak, Director of Library, EMS Director Fitzhenry, Scaglione, Director Parks and Recreation, Nosal, Director Public Works and Director IT Day.

Mayor Kuhn - Now how we start I hope everyone received a Budget I mean they were attainable at the Municipal Building and on-line but what we generally due The Home Rule Charter says that the Mayor is suppose to do a report at the end of the year on the situation that the Municipality is in financially and what have you. It has been in the past that the Manager presents that in the Budget for the residents to go over and see so before I turn it over to the Manager to read the proposal of our Budget I just wanted to go over a few items on the guide on using the Budget. The Budget established the Financial Direction of the Municipality. Reflects program decisions it also states our fiscal conditions and identifies our spending priorities. The Budget provides an overall summary which includes the beginning balance total revenues and expenditures from the three operating funds of the Budget. Now the Municipality has three operating funds one is our General Fund, one is the Sewer Usage Fund and one is the Highway Aid Fund. So for each operating fund there are line accounts and are used to delineate all revenues and expenditures for each Municipal Department and Division. The majority of the General Fund Revenues are represented as Real Estate Tax Revenue, Earned Income Tax, Deed Transfer Tax, Occupational Privilege Tax and Business and Mercantile Tax. This describes the departments function, capital outlay and a comparison of the prior year to the current year, staff positions and their corresponding salaries. The Sewer Usage Fund contains the revenue generated through the Operation of the Municipality Sewage and Treatment System. Revenues are realized through user fees, operating expenses for the Water Pollution Control Department appear in line accounts within the Fund. The Second is the Highway Aid Fund. That is generated by way of a per gallon tax on gasoline and other fuels. It is allocated to local governments based upon mileage and population and then the third is the Capital Improvement Budget. The Municipal Center Budget and the Vehicle List. The Capital Improvement presents plans for Major Capital Projects, primarily financed through bond issues. The Municipal Center Budget shows construction costs for the new municipal building and the vehicle list has an up to date listing of all municipal vehicles. Now just a brief comment. The Manager's report will show that in 2017 the expenditures are established to be below the budgeted amounts by reflecting an end balance of approximately \$4,043,568. This is attributed to our Manager, our Financial Director and the handling of the spending and making all Directors accountable. Penn Hills residents are fortunate to have the staff that they have in charge of the day to day running of our Municipality and also they have the staff that are in charge of the day to day running with them and they make decisions that are responsible to the taxpayers. Mayor & Council do not have offices up here and we do not micro manage. What we have is staff and they are represented by the Directors and the Directors are representing by the Manager. This staff that we have working for us works very hard

and if you have the understanding of the Budget you will be able to see the savings that they present and how hard that they work to make sure that every dollar of the taxpayer is spent wisely. Now unfortunately their qualifications and what they do are not always publicized. We are ending with an end balance between the sewage fund and the general fund of over four million dollars but the only thing that is advertised unfortunately and stated in the media is that in 2019 Penn Hills is going to have a slide and of course that is unfortunate but that is how the media is. They don't put the positives they just put down the four words in the Budget that are negative and that is sad and I do ask all of our residents that we represent 22,000 households and 44,000 people and they don't all come to the meetings and we are very happy that we have the amount of people here so the information that they receive is by word of mouth, social media and also the media in itself so what I am asking to improve the image of Penn Hills is if you see some wrong doing from Mayor & Council or the Management Staff instead of making the negative comments first of all I wish you would do diligent homework because generally there is an answer to everything that this Mayor & Council vote on. You speak to the Manager and Mayor and Council if they don't give you an answer then I could see you possibly being upset. But information is the best tool that we have but misinformation is the most damaging so before we want to down our town with negative remarks that is your right nobody is denying it but please try to find out if in fact the statement that you make is accurate and when you also speak of Penn Hills and are on the social media please address all the positive things that this Municipality does for its residents which we will have listed throughout the Budget. As far as mistakes we all make them, however, we were elected by the people of Penn Hills no one else, the voters. They expect us to give solutions to correct what they think is wrong also to present ideas. But we are five people making decisions for 22,000 households and 44,000 people. We were not elected to belong to a social club. Our position is a serious one. We take it serious and the decisions that we make are difficult and often not popular but we make them at that time what we think is best for the Municipality. And as I tell everyone if you are in disagreement there is nothing wrong with that that is why we have public meetings. Come to the podium, give a solution, give an idea. It is not us against you. We are all tax payers and residents so we all need to work together to better our Community. We are an open Council. I never have anyone not permitted to speak unless they misbehave. So with that being said I just wanted to go over a few things that usually come up. As far as our mileage our mileage to date I believe is 5.44, am I right?

Moe Rayan - 5.444 correct.

Mayor Kuhn - o.k. and in 2010 the mileage was 5.1, in 2011 5.35, in 2012 5.60, and our mileage has been 5.444 which is drop from 2012 for six years. Now when we did increase the mileage in 2011 it was increased a quarter of a mil that represents \$351,000 for the Municipal Budget and it would cost a homeowner of an average home say of \$75,000.00 a \$102 a year or \$10.00 a month. That was done in 2011 and then in 2012 once again a quarter of a mil and then it was dropped in 2013. So there hasn't been any increase in mileage for the Municipality for going on six years. Now we are

fortunate that we are able to have an end balance to take over to the previous years but now we are starting to have to use that end balance for the upcoming year. Everyone has to understand the Municipality only runs on the revenue that comes in and everyone knows with their own Budget utilities go up every year, the health insurance of our employees goes up every year, their pay they get an increase every year. So every year there are additional costs put into each Budget so the only way that we can handle that is through either one of two ways. We either increase the mileage rate or we cut a service. We have been fortunate because of the fact of I can't say enough about our Manager. I wish you all knew him personally because you would know how hard he works for you and I can't say enough about our Business Manager. Our Business Manager has been here for over fifty years. He knows Penn Hills inside and out and he works every single day on trying to save money for you the taxpayers of Penn Hills. Now as far as our sewage debt which is always a big problem with the residents. We didn't raise our sewage for eight years and then we raised it last year. Now it is not going to be raised this year. But just to let you understand in 2011 our sewage debt what the sewage debt was for Penn Hills was \$95 million five hundred thousand now that was in 2011. Our Budget for 2018 the sewage debt is \$60 million. So from 2011 to 2018 this Mayor and Council and Staff paid off \$35,500 and that was not increasing the sewage or borrowing any debt service for it and besides that we did \$20 million dollars of repair so the money has to come from somewhere and like I said we didn't increase the sewage rates for eight years. We haven't increased our mileage for six years. If it was me I think that every Municipality and Borough should increase their real estate rate by at least 1/4 of a mil which is only \$10.00 a month to keep up with the increases that come every month every year. Now the other thing is a lot of people have asked me about our personnel. We are full compliment with our Police Department. As far as personnel I did have a writing on here Moe but I misplaced it. We have not really increased any staff for 8 or 10 years?

Moe - I don't have the exact number but pretty close to that Mayor.

Mayor Kuhn - so I mean it is not like we are heavy on the personnel because of the fact there has been no new positions added to our personnel in that amount of time. Then also I wanted to let you know our mileage like I said is 5.444. We have mileages of other Communities that I have here if anyone would like to go over and that is right in line with all the other surrounding Communities as far as the mileage goes. We have Edgewood Borough their mileage is 7.18, we have Plum Borough theirs is 4.78. These are just the Communities that surround us. Wilkins Township 5.67 so our mileage of 5.444 for the Municipality is right in line with our surrounding Communities. The other thing is we give services that the other Communities don't. We have rubbish pick up and as far as the Oakmont, Verona, Plum Borough and Churchill all those Boroughs the residents have to pay for their own rubbish pick up. Now our rubbish pick up is over \$2.4 million or \$2.2 million. That is a large amount of money that the Municipality could save to do roads or whatever but that is a service that the Penn Hills residents receive that other Communities do not. We also have Paramedics that are in house. Other Communities do not. Any questions that you have please present them tonight and like

I said we won't be answering them tonight but we will be writing them down and at our next meeting that is when we will give the answers to the Manager and to the residents after we observe both of them. That being said I know that I took more time than I should have but our meeting is quite small so I don't mind if we have the Budget Meeting run over to our regular meeting. Now that being said I am going to turn it over to the Manager who will give you a complete run down of the Municipality's situation at this point.

Moe Rayan - thank you Mayor, Good Evening.

Honorable Mayor and Members of Council:

The proposed 2018 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 2017 Review**

**REVENUES:** Overall 2017 Revenues for the General Operating Fund are estimated to be higher than the budgeted amount by approximately \$1,289,324.

**EXPENDITURES:** Expenditures for Fiscal year 2017 are estimated to be below budgeted amount by approximately \$1,545,238. The original 2017 Budget reflected an end balance of approximately \$1,208,568. As a result of close monitoring by Department Directors, the Finance Director and Manager, the projected end balance for Fiscal Year 2017 is estimated to be approximately \$4,043,130.

#### **Proposed Fiscal Year 2018 Summary:**

**REVENUES:** The Proposed 2018 Revenues are estimated to be approximately \$622,255 higher than 2017 budgeted amount. The 2018 Budget as proposed, reflects a \$1,111,777 Fund Balance at Year End. Each Mill of the Tax Rate generates approximately \$1,414,401 in Revenue.

#### **EXPENDITURES:**

The Proposed Expenditures for 2018 General Operating Fund are estimated to be \$30,735,628. This represents an increase of \$134,123 from the 2017 Budgeted Amount. There are nominal decreases or increases in the overall Budget from 2017 to 2018 related to employee wages, benefits and vendors contractual obligations.

Contractual wage increases for 2018 include 2.75% for Local 249 who represent The DPW Employees, 3.0% for AFSCME who represent The School Guards, 3.0% for MEO who represent The Building & Office Employees and, 2.0% for The PAB who represent The PHPD employees. The Municipality is currently negotiating for new bargaining agreements with both The PAP who represent the PHEMS Unit and The

UWUA who represent the WPCD. A 3.0% wage increase has been proposed for all non-union employees, management and non-management.

Vehicle and Major Capital Equipment Leases and Expenditures for 2018 of which payments will begin in 2019:

- (2) Marked Vehicles – Patrol Division
- (40) Body Cameras
- (1) New 5 Ton Truck with Plow and Spreader - DPW
- (1) New Pick Up Truck with Utility Bed - Fire Marshal's Office
- (1) New Pick Up Truck - Parks and Recreation

Other expenses include:

- General Obligation Bonds – Principal/Interest
- Employee Benefits
- Employee Salaries
- Municipal Insurances
- Payment 3 of 5 for Fire Protection Equip. (SCBA) for our Local Six Volunteer

Fire Companies	\$107,000
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- Payment 8 of 15 - Fire Truck \$ 25,000
- Non-Burnable Stackable Container - Firemen Training Center \$ 47,295
- Toward a Pre-Owned Pumper-Firemen Training Center \$ 5,705

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, EMS Services, Refuse Removal, Recycling, Road Maintenance and Paving, Snow Removal, 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 a slow financial growth 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 2018 General Fund Budget presented to you provides for a Positive End Balance of \$1,111,777.60 to offset any unforeseen Emergencies.

Accordingly, I am recommending that Mayor and Council vote for The Budget as proposed to maintain a Fiscally Sound Budget. However, the year end reserve at the end of fiscal year 2018 will be smaller than what it has been historically. Year end reserves are used for emergencies or unanticipated situations. A snowier than predicted winter can rapidly exhaust our snow removal budget or skyrocketing energy costs can overwhelm a planned fuel budget. In 2012 The Municipality implemented a Tax Increase and later in 2013 lowered the increase, in accordance with The County Reassessment. As a result of NO TAX INCREASE, The Municipality historically utilized The Year End Balance to bolster The Revenue of the coming year to maintain Operations within The Municipality. This practice creates a Low End of Year Balance as presented for The 2018 Budget. The well has dried.

In 2018 the Municipality must explore creative ways to increase future, potential revenues. In order to prepare for the 2019 Budget and forward, we must look at the ways the Municipality pays for garbage and recycling collection, and how we maintain the storm sewer infrastructure. Should these be customer based user fees? We must also explore how much revenue is generated by the wage tax and property tax and if increases in either or both taxes are warranted. Increasing the Municipality's revenue will help to shore up our dwindling year end balances.

A government that maintains an adequate reserve is better positioned to deal with funding issues in bad times. Year end reserves should be at least a minimum of 10% of the operating expenditures. If Mayor and Council do not take adequate action to increase the year end reserves, the Municipality's credit rating will be lowered and our reputation as a fiducially responsible community will be tarnished.

The Finance Director and I have worked diligently to finish the Proposed 2018 Budget showing a year-end balance. However, this surplus belies the fact that the Municipality is doing business as usual. We have pared down the road paving projects and non-mandated sewer repairs. For the first time in recent years new vehicles and new equipment being leased in 2018 will have payments beginning in 2019. When we have purchased vehicles and equipment in the past, payment in full and the lease payments begin in the year of the purchase. It is not good to put off debt. The budget for 2019 will NOT have a year-end balance; in fact, if the projected revenue through tax money is not increased in 2019 it will be a negative balanced budget with no room to operate. 2019 will be the beginning of the down ward slide. Mayor and Council must take action to increase tax revenue for 2019. I suggest that early in 2018 we schedule workshop meetings to discuss a plan of action so that the Municipality can be proactive in implementing a workable budget for 2019.

Future Planning:

- a. Consider a millage increase in our Municipal Real Estate Tax.
- b. Consider increase in Wage Tax/EIT.
- c. Propose Garbage Collection Fees. Currently The Municipality absorbs the entire collection fees of \$2.5 M.

- d. Propose an Ambulance Fee.
- e. Propose Storm Sewer Management Fees.

**SEWER FUND SUMMARY**

**Year 2017 Review**

**REVENUES:** Sewer Fund Revenues for the Year 2017 are projected to be less than the 2017 Budgeted Amount by approximately \$206,805 which is attributable to one quarter not being billed at the new ALCOSAN rates.

**EXPENDITURES:** Sewer Fund Expenditures for the year 2017 are projected to be lower than the 2017 Budgeted Amount by approximately \$1,346,200 this is attributable to wages, employee benefits and close monitoring of the expenditures across nearly every line item. The original 2017 Budget reflected an End Year Balance of \$345,280.

As a result of close monitoring by the Water Pollution Control Department Director, the Finance Director and Manager, the End Balance for Fiscal Year 2017 is estimated to be approximately \$1,484,675.

**Year 2018 Summary**

ALCOSAN, through an E-Mail on 10/5/17, announced a Rate Increase of 7.5% for 2018 and it is scheduled for ALCOSAN'S Board Vote in October, 2017. This increase has not been confirmed, however, it was presented as worst case scenario. The Revenue figure only reflects the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> Quarter of 2018. This Revenue increase will be offset by an increase in our Expenditures remitted to ALCOSAN.

**REVENUES:** Sewer Fund Revenues for Year 2018 are projected to be higher than the 2017 Budgeted Amount by \$930,865.

**EXPENDITURES:** Sewer Fund Expenditures in Year 2018 are projected to be higher than the 2017 Budgeted amount by approximately \$303,907 which is attributable to The ALCOSAN rate increase. The Proposed 2018 Sewer Fund Budget reflected an End Balance of \$2,031,394. 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 careful monitoring of expenditures.

**Vehicle and Major Capital Equipment Purchase**

(1)	New Sewer Jet	\$ 89,000.00	Payment 1 of 5
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**Other Major Expenses**

ALCOSAN Rental Expenses	\$5,595,309.00
Consent Decree Compliance	\$1,500,600.00



Building/Structures \$ 175,000.00

Bonds Principal/Interest \$4,259,517.00

Past Sewer Fund balances has allowed the Municipality to comply with the Consent Order and Agreement by doing projects totaling upwards of \$20M with no additional borrowing or rate increase.

The fund balance is used along with the sewer rate to operate, maintain, and comply with the terms of the Consent Order and Agreement e.g. televising lines, repairs and upgrades to our sewer treatment plants.

The Municipality must continue to be proactive beyond 2017 to be prepared to face the challenges of the ALCOSAN Consent Order which affects 83 communities (including Penn Hills). Their regionalization program, in part, includes the conveyance of trunk sewer lines over 10" in diameter to ALCOSAN to maintain and operate. Regional Cost Sharing of any new projects will maintain ALCOSAN's EPA Consent Order projected to cost upwards of \$2 Billion.

The Finance Director, the Director of the Water Pollution Control Department, and Manager will be monitoring and reviewing the Sewer Fund Budget on a quarterly basis during 2018 and reporting our findings to Mayor and Council in order to assist in facilitating a funding recommendation.

#### **HIGHWAY AID**

The Proposed 2018 Highway Aid Fund (Liquid Fuels Fund) provides for a Grant Amount of approximately \$1,179,787. This Grant amount has not been confirmed as of this date. However, a portion of this payment is based on the State's Motor Vehicle License Fund Taxes to be collected during the remainder of 2017. 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**

##### **2018 Summary:**

The Proposed 2018 Capital Budget provides for \$175,756.08 in funding for a small variety of Capital Projects related to Public Works, The Sanitary Sewer System and Municipal owned Facilities and Parks. Funding sources include Grants and previous 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.

## **NEW MUNICIPAL GOVERNMENT CENTER**

### **Funding Summary:**

In 2016 The Municipality floated a Bond to construct a New Municipal Government Center. The principal amount of the Series of 2016 Issue is \$9,455,000. This lesser principal amount is a result of sale of the Bonds at a premium price generating \$2,042,108 in additional proceeds. A Project Fund Deposit of \$11,351,108 is established at a cost of issuance in the amount of \$144,095. Additional proceeds of \$2,013 are for rounding purposes of the Bond Issue which will be deposited at closing in The Project Fund. The Bond Issue will mature in 2028. Project Revenues and Expenditures are detailed in the New Municipal Government Center Outlay Summary contained in this document.

In 2017 the Municipality began the construction of a new 52,500 square foot Municipal Government Center on Duff Road at the site of the old Penn Hebron Elementary School. The main complex consists of a 43,300 square foot building which will house Administrative Offices and the Police Department. The north wing of the building will include Council Chambers along with an Emergency Command Center and offices for Administration, Finance, Code Enforcement, Planning and Zoning, Fire Marshal, and Information Technology. The south wing will house offices for the Police Department including General Investigations, Narcotics, Patrol, Records Division, a holding facility, a Sally Port Bay, a qualifying range, a car evidence processing bay, and a First Responders training room. A 9,200 square foot Emergency Medical Services building will include crew quarters and a four (4) bay vehicle storage area. At the lower tier of the site a fire training pad with stackable containers is being constructed. This firefighter training area will have its own water supply pond.

This construction is anticipated to be complete by Summer 2018.

### **The Proposed 2018 Fiscal Plan as presented is balanced.**

Department Directors will continue to be held accountable in 2018 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 at or above the current levels. Before I conclude Mayor, also I wanted to recognize and extend my thanks to all the Department Directors who are present here tonight including the Fire Department Chiefs for being fiscally responsible to our tax payers.

Sincerely,

Mohammed F. Rayan

Municipal Manager

Mayor Kuhn - o.k. Thank you Moe. I do want to recognize not only our Directors but especially our Volunteer Fire Department as we look over the Budget let me explain to everyone and to the Media. If Penn Hills had to pay for fire services, if we had to have a paid fire department there would be very few in our Municipality that could pay the tax increase. They are volunteers, they work day and night for nothing and without them we would have so many not just regular problems but financial problems. So please when they send out their donation cards please send something in because if you are sending in \$30, \$40, \$50 that isn't even a needle in a hay stack of what you would have to send in if we had to pay these volunteers. So I would like to acknowledge them and thank them sincerely from Mayor & Council and for the residents of Penn Hills. That being said as I stated if you could come up to the podium and state problems and what you would suggest on how to improve them and then that way at our next meeting then we can present the answers to everyone. I see our Councilmen Elect in the back is John Petrucci and he has asked to come up and make a statement. As I told John at the last meeting, John is not on Council at this time to vote on the Budget but John will be sworn in on January 2, 2018 and he will be sitting at this table and he will have to work from this Budget so I asked John if he had any suggestions or if he has any solutions or if he has any questions please present them because this is the Budget he will be working with.

John Petrucci - Good Evening Mayor & Council. I want to thank Mr. Ed Schrecengost and Mr. Mohammed Rayan for a fine job you did on the Budget and I want to especially thank you sir for the honesty and forthcoming in our financial problems that you brought to everybody's attention. After reviewing the 2018 Budget it is apparent that if concessions are not done now the future of the Municipality is in danger of financial disaster. Our General Fund Debit is approximately fifty million and will not be paid off until 12-1 of 2028 and is provided on page 98 of the 2018 Budget and we are not in good financial shape by any means but we must come together and put our political differences aside for the financial stability now and for the future of the Municipality. Raising property taxes at this time is not the answer. With the raise in the school taxes and the high sewer bills the well is dry. Raising wage tax which is 1.75 now would put us up with the City of Pittsburgh which is 3% where most of the Municipalities and Townships are at 1%. Garbage collection fees would turn into a nightmare. Another collection agency would eventually have to be hired and we would spend more money on collection fees than it is worth. And isn't rubbish fees included in the property taxes we pay now. Now let us talk about the Storm Sewage Management called as MS4. To prematurely talk about this without any public involvement participation or education means that required by the guidelines of MS4 this is an issue that we need to discuss in the year to come. The real problem is now for the residents of this Community is that we owe to this day \$60 million dollars in a loan to fix our previous sewer problems scheduled to be paid in full by 2034 as provided on page 131 of our Budget, unfortunately, there is no quick fix to this problem so let's think outside the box. Remember something we never thought the population would go from 60,000 residents to 40,000 residents. What happens if it goes below 40,000 who will pay off the loans and at what price. After numerous conversations with a representative of ALCOSAN and the Revitalization Program might work if we sit down and negotiate with them. Part of the negotiation would possibly be to take over not only the sewage

system but the loan also in return ALCOSAN would directly collect the fees associated that are currently being charged and keep the fees to pay off the loan as we are doing now. I was told by a letter from the Municipality they would not only take over the ten inch lines but they would take over the eight and nine inch that make up 80 - 90% of Penn Hills. Both sewage plants could be absorbed in the plan. This alone would save the tax payers in the Community millions. I am looking at this as a long term plan. Another idea that the representative of ALCOSAN gave me is that we would run the sewage plant for five years and we would get paid for it. After the five years would be up they would take it over. The employees of the plants would possibly be absorbed by ALCOSAN or would have to reapply to the ALCOSAN for employment which they would be served again. We need to sit down with ALCOSAN and negotiate the takeover. Negotiations will take place the Summer of 2018 that is what I was told and I hope to be part of it when it happens. This is something that the means of the many outweigh the means of the few and we must get it down. Another issue is the Library. I reached out to a very famous organization which will remain anonymous at this time and will probably take over the Library and its expenses of \$635,255. This can be negotiated with the organization at any time. I have all the information and will supply it to Mayor & Council now or in January. Yes the Library will still provide the same services it does now and will still be known as the Penn Hills Library. Our Vendors will negotiate with us. I recently spoke with a friend of mine named Bruce Dice of Bruce Dice and Associates that I have known for a long time and he is willing to reduce his cost by 20% off the monthly retainer of \$1,000.00 and drop the hourly rate from \$125.00 to \$115.00 per hour for our Solicitor Craig Alexander. All you have to do is ask the vendors. The following are ten concessions that will aid in the financial stability of the Municipality. These are the concessions.

1. Freeze spending up of all office furniture and supplies a.k.a. the fluff.
2. Recall all cell phones, renegotiate vendor contracts and only distribute to essential personnel, approximately \$42,000 is spent a year on cell phones.
3. Renegotiate all vendor contracts.
4. Dissolve the Information Management Division and seek out a vendor to perform the services. Savings of \$487,256.
5. Dissolve all Assistant Directors and Assistant Supervisor Positions completely.
6. Freeze all estimated raises of 3% to non union and non contractual personnel.
7. Renegotiate all union and contractual contracts and raises and look into buyouts for employees close to retirement.
8. Lay off all non essential personnel - employ more on a part time basis.
9. In conclusion there are a couple of things we need to consider and remember.

First one is the demographics. The area dictates the salary of the employees. We need to do a comparison of the salaries of all employees. Minimum and maximum pay scales need to be put in place and finally we must follow the construction of the new municipal building closely. Any unforeseen change in orders could be financially devastating to the Community at this time. A Community as a whole must always come

first and right now we need to cut cost and work on building a new Penn Hills for our children in the new millennium.

Thank you.

Mayor Kuhn - thank you John. As I said we don't respond but I do need to respond to the comments of ALCOSAN. Mayor & Council have been negotiating with ALCOSAN for how many years on this Regionalization six or seven years. The Municipality put out a olive branch to ALCOSAN to have them take over just the section up at the East Hills Area which they turned down and declined. We have had meetings, several of them with ALCOSAN. We have asked ALCOSAN back when Mayor Anthony DeLuca was Mayor if they would take over our plant so John if you could give me all the information of who you spoke to and exactly what they said I would like to know who that is because of the fact we have met with Arletta who is the number one person in ALCOSAN and everything that Penn Hills has presented they have denied. And as I have gone over the Regionalization Penn Hills Residents have paid for so many years to have everything in our sewer system brought up to date that is why we got out of the Criminal Consent Decree. We were removed from that and we were removed from the Consent Order and now Penn Hills has been on their own with just being watched by the EPA and the DEP so it surprises me that someone that is why I would like to know exactly where you got the information John because we have had ongoing monthly meetings, the Manager and our Engineers with ALCOSAN and they have denied ever taking over any of our plants. The Regionalization is they want to take everything that you Penn Hills Residents have paid for they want to put it into the Regionalization and then they want all of the surrounding Communities who have done nothing now to be pumped in to all the costs as I told you \$20 million that you paid for as well as Mayor & Council and they want to let these other Communities come in to our systems and give Penn Hills nothing so this is a complete surprise the information that you are presenting John because of the fact it is a complete opposite and I will tell you Wilkins itself needed to come into Penn Hills new plan that you people paid for with the \$20 million dollars and we were negotiating \$175,000 cost for them to enter your plants and they stopped negotiations because they said when the Regionalization takes place we will be able to go into your Penn Hills plants that you paid for free of charge. So I don't know who spoke to Mr. Petrucci. I am not saying John that I don't believe that is the comment

(Mr. Petrucci inaudible from back of Council Chambers)

Mayor Kuhn - yes because of the fact as I said we have meeting with them on a regular basis for over five years and ALCOSAN doesn't want any part of Penn Hills others than the new systems that you paid for so that they can give the surrounding Communities access to them at no charge and then they want to put a flat rate on the 83 Municipalities that everyone has to pay the same amount. I have said this over and over and over again. Penn Hills outside of the City of Pittsburgh is the largest Municipality of those 83 Municipalities. So if we have 22,000 households and you are

going to pay \$10.00 say a flat rate a month multiply it and then multiply Verona, Oakmont, Wilkins, Plum Borough they might have 5,000 households, they might have 10 they might have 12 multiply the \$10.00 by that. Look on your paper who is going to be putting the most money in the pot for the Regionalization. If you have 22,000 and you are paying the same as someone who has 5,000 households it only stands to reason that Penn Hills is putting four more times the amount of money and the worst of it is that money is in a general pot for every Community of the 83 Communities to pull from to update their sewers which Penn Hills has already updated. So not only Penn Hills isn't going to be getting anything from that pot of gold because we have already paid for ours so now what ALCOSAN and the County wants if for this Regionalization to take place and not only did Penn hills pay for everything for their sewer system now we are going to be the major contributor outside of the City of Pittsburgh for the other Communities to get out of that pull money to take care of theirs. So this Mayor & Council has attempted in every way shape and form to negotiate but we stand firm that our residents are not going to pay for other Communities to do what they had to pay for our Community. Penn Hills has the right to get something in return. So I am anxious to look into that because tomorrow morning that is going to be the Manager and my first call in the morning to know who is saying ALCOSAN is willing to take over the sewers of Penn Hills because John that is not accurate but like I said all you are doing is relaying the information that was given to you. As for our fiscal situation as I said we ended up with a \$4 million dollar surplus this year so I mean we didn't cut any services. We ended up with a surplus so if someone can show me in the Budget where there is fiscal misrepresentation of spending then that is what I would like to know tonight. Thank you.

Doddie Smith - 233 Datura Drive - As a life time resident of Penn Hills I am very concerned about the possibility of increased taxes, having to pay for trash removal and other cost cutting measures considered by our Council, Mayor & Management. I do realize we are facing serious financial issues but I believe we must be creative in cutting current budgetary items and be more creative in finding other solutions to our problems. We are now likely facing changes to our taxes in the coming year and years due to the tax reform legislation that has just passed in the house. Most believe Senior Citizens will be hit hardest as the result and will likely owe more taxes than they already do and as we all know Penn Hills has many Senior Citizens and I sadly have to include myself in that. I personally am over whelmed at the thought of paying additional Federal Taxes without even adding in the burden of additional Local Taxes. First we must quit the mentality that we are a bedroom community. We need more businesses to come to Penn Hills and these should be businesses that would attract outsiders to shop and dine in our Community. An increased tax base would greatly help our financial situation. Attractive businesses would also bring more young people to move here and again increasing our tax base. I once mentioned at an earlier Council Meeting that other Communities such as Wilkinsburg, East Liberty and Hazelwood are having new businesses move in and was told by you Mayor Kuhn that they had grant monies to do this. It seems to me that we might be able to apply for such grant monies to help our Community. I would like to read about a couple innovative groups that have helped others in our region and suggest that our elective officials look into the possibility of

something along these lines. The Mon Valley has launched an initiative to rebrand itself as the East Shore. Bill Pfoff, President of the Enterprise Zone Corporation of Braddock said this conversation could of not taken place four or five years ago but now this EZCB the Enterprise Zone helps provide new and expanding businesses to Braddock, North Braddock, Rankin and Swissvale with access to grants, loans and state tax credits. This region has the housing stock amenities and available empty store fronts to attract new businesses but the Enterprise Zone Corporation believes that outdated perceptions persisted. I would say that Penn Hills we have the same issue. Sadly our representation doesn't really show us as a Community. Since 1985 this Enterprise Zone has provided \$2.7 million in direct loans, leveraged \$15 million in other funding and helped create 430 local jobs. They had enough money to cover their expenses but they were facing the situation where they didn't have the funds needed to create more jobs than leverage loans. As a result Bob and others met with Bill Flanagan at the Allegheny Conference as well as other stake holders to discuss the idea of a rebrand. Something that would challenge perceptions of an area similar to ours and drive investments. So what is the Allegheny Conference. The Allegheny Conference and Community Development brings together public and private sector leaders from the ten County Southwestern Pennsylvania Regions to improve the area's economic future and quality of life. These leaders and their organizations comprise the regional investors council which provided time and talent and resources to advance three year plans. Their current agenda focuses on three particular areas. Economy and Community, Infrastructure and Work Force and aids to connect people to opportunity through the ten County Pittsburgh regions. It seems to me it might be a wise idea to look into forming our own non-profit Enterprise Zone Corporation of Penn Hills as there are several other Communities that have these and look at the Allegheny Conference for ideas to reduce our tax burden and revitalize Penn Hills. Perhaps The Chamber of Commerce could be involved. I don't know if anyone currently working in the Municipality looks for grants available to this Community or even knows how to write a grant. If not I would suggest the Council advertise for the Community to see if someone could help with these skills. In the meantime, we need to cut current budget items rather than increase our taxes. I live on Datura Drive and desperately wanted our street repaved for some time now, however, I am willing to put off our street and other paving projects except where cars can actually be damaged because of extreme conditions if it would reduce what we spend. Surely there are other budgetary items that could be cut as well. I am basically asking that you, our Penn Hills Representatives, look into cutting non essential service costs and consider looking into creative short and long term solutions to prevent us residents from a tax hike that many in our Community would find it impossible to pay. Thank you very much.

Mayor Kuhn - Thank you. Just to comment on some of the comments that were made. As far as Grant Money we received a \$1 million dollar grant from State Representative DeLuca, we have a Planning Department that is headed by our Director Chris Blackwell who works every single day preparing Grant Applications for the Municipality so I would safely say that the Municipality works very hard and puts in for as many grants as any surrounding Community does. Do we get the grants all the

time, unfortunately, no. As far as the Economic Development it is very difficult to bring Economic Development into Penn Hills because of our roadways. People who have Home Depot or Targets they go on Route 22, Route 30, Route 28 we unfortunately in Penn Hills it is not that we think of ourselves as a bedroom community, but it is because of the fact that the Municipality Planning Department back in the days they planned Penn Hills as a bedroom community. We have no main stream thoroughfare through our town where people are interested. We have as far as East Hills and we have had meetings and I can't tell you how many I have attended through the City of Pittsburgh trying to bring in Wal-Mart or any large box store. Now they say at the meetings that we have the roadway to East Hills Shopping Center but it is not a thru way that you would have people riding up and down and going in and out of. So our construction is very difficult to bring in businesses that we would like to bring in. Secondly as far as we worked with CONNECT which is a group that has all of the Municipalities work together so that we could be a strong force and not just one lone person speaking but when we hosted CONNECT I brought up as did three other Mayors in the 83 Municipalities that we need to have the insurance companies send the checks for ambulance services to the Municipality and not to the person who used it and if you are sending it to the person who used it, Mr. Jones used it, instead of just putting his name on it put his name and the Municipalities name on it because of the fact you had probably well over 40 - 50% of the people who got the checks and cashed them and never paid the Municipality for their ambulance services and their reply well we work and we have a good relationship with the insurance companies, Blue and Highmark and I said so what you are saying is your relationship with the insurance companies is more important than your relationship with the Municipality. So those groups are helpful. That one not so but we are in so many different COGS where we get to bid on vehicles and other equipment and things and we get a good cost price for it because of the fact because we are with Turtle Creek COG or other COG's. Like I said and as far as other solutions and to be thinking of other ways that is what we are asking the residents for and one other thing when I came on Council our end budget was \$55,000.00. A Municipality of this size and that is what we had to start the new year with was \$55,000.00 and I gave earlier the amount of debts that we were in. So it not that this Municipality and Mayor and Council are not fiscally sound in trying to keep Penn Hills from drowning and that is exactly what this Mayor & Council has done. I see your hand up but I let you speak so now I am speaking and if no one else has anything to say you can come up again. So what I am saying is if there are other solutions present them. Look at the Budget, tell me what you want cut and tell Mayor and Council and the Management how you plan on paying for the services that we have and we are open to that but just giving statements that is not actually providing the information that is needed to make those statements come into being. So we are open. Anyone who has any suggestions on how we can cut the Budget. Like I said in my years on Council to balance the Budget you either had to cut a service or increase the tax revenue coming in which this Council has not done. As I said we didn't raise the sewage for eight years, we didn't raise the mil for six years and when we did the mil was only raised by 1/4 percent. What happens in the school district has nothing to do with the Municipality. This Mayor & Council and I said you are very fortunate to have the staff that you have. If you come to all the meetings you will see



that at almost every meeting when we pass a Resolution I make known to the Public that we say the Manager, the Financial Director saved this much money for the Municipality, saved that much money for the Municipality. We wouldn't have a four million dollar carry over if we were not concerned and watch dogs for the money. As I said it is easy to read a statement and say this should be done and that should be done and we will take those statements from the records and we will research them to see if they are accurate but the bottom line is the people of Penn Hills would be in very bad shape if you lost the Business Manager and the Manager that you have today.

Bill Mouts - 1335 Maple Avenue - the question I have, first a statement as I drive around Penn Hills I see a lot of people have solar panels on their roofs. Has Mayor and Council given any discussion or any thought of putting solar panels on the new Municipality Building or the Library or on any other public building? Because solar panels are solar power and is no longer a fantasy, it works and I can give you a small example. I am a member of the Community Garden on Jefferson Road. We have a chest freezer that we put vegetables in up until the time it is ready to be taken to the food banks and we have given over 1200 lbs. of food last year. It is operated on 100 watt solar panel and one 12 volt battery and keeps food cold all summer long. So it is a simple solution to save a lot of power and a lot of expense on your electric bill. Mostly your building is run in the day light and Saturday or Sunday when nobody is there the meter runs backwards. I think it would be a very good idea for Council to think about it. Thank you.

Mayor Kuhn - Thank you. Moe do you want to give a comment, I know our building is green, the new Municipality Building.

Moe Rayan - well the building is not constructed yet to look into that and those are companies that just approached the Municipality maybe about a year or so ago and they have obtained permits.

Mayor Kuhn - I agree the solar heat is the way of the future. So anything that you can do to save energy not only for the cost part of it but also for the environment of it is a good outlet to look in to so I thank you for that comment.

Faith Milazzo - **inaudible on tape**. Faith was talking about giving more parking fines. Giving Litter Fines for another source of Revenue. She also agreed with what John Petrucci said that she looked at the wages and didn't agree with 3% raises with the economy. She would be in agreement with a mil increase, a tiny one. The garbage is bad idea she thinks people would abuse it. Schools and Conference money she thinks could be removed.

Mayor Kuhn - Thanks Faith. Just to let you know as far as the wages other than the personnel who works under the Manager the personnel for the Municipality are Union so it not like you can just go in and say that you have to negotiate with the Unions on a yearly basis and as far as the rubbish, the reason I bring up the rubbish is just to

let the residents know that our tax mil is within what the other surrounding Communities are but we provide the rubbish removal so I just want to let them realize that the Budget we have if we took the same course as the other Communities have taken we would save \$2.5 million dollars on rubbish so it is a service that goes to the Municipality but with every service comes a cost and that is what we are trying to resolve here tonight. 2018 is fine on our Budget but looking ahead at 2019 we have to realize that something has to be done and as I stated our taxes weren't raised except 1/4 of a mil, and then we took 1/4 of a mil off so over a period of ten or twelve years the only tax increase for your Municipality was 1/4 of a mil which represents \$10.00 a month for a house averaging \$75,000.00 but in twelve years the cost and expenditures for the Municipality have risen. They rise on a yearly basis and that is sad. I mean theory is wonderful. I would love to work on theory but theory is just that it is theory. This Budget, these costs that is real money and like I said I wish that I had a magic wand that I could keep all the services, pave all the roads, take care of all the sewage systems and not have any problems with the Budget well we haven't for ten years. 1/4 of a mil in over ten years. The sewage not raised for eight years. We brought down the debt and we also didn't borrow any money which is a big thing and we paid off debt but there is only so much money in the Budget so like I said look for different ways that is what I am asking for everyone to come and tell me well let's look at line such and such, how about how can we cut back but you have to remember we deal with Unions, we deal with legalities. We can't just go in and cut peoples grass without going through the legality of it. It is not easy to figure this out and you have to also remember that we are all tax payers. It is not us against you. My children live here and my grandchildren live here. Both my grandchildren who got married stayed in Penn Hills. So everything that I do affects them as well as it affects you. So we are not trying to be as I said we are five people making these decisions so we need the help of our residents but we need actual comments and solutions because you can't just say well you should do this, you should do that. Tell us how and I am not saying that arrogantly. I am saying that whole heartedly. You might have a suggestion that we haven't thought of. So that is what I am asking. Please come up and give your name and address.

Shawn Kerestus - 413 Crescent Garden Drive - first thing is I read this entire Budget this morning over some coffee and truly I didn't see many expenses that were out of line. My background is in Public Administration and I know Capital Budgets, regular Expense Budgets. One thing I did notice that I do want to question is the cost for the audio system in the new building. It is something like \$200,000. I am just curious if this is just an estimated cost or has that contract been finalized it just seems like a lot of money for an audio system for a building.

Mayor Kuhn - what was it honey, I am sorry.

Shawn Kerestus - Oh sure for the new building it says audio system \$199,000.00. With that said two ideas to bring in new revenue and I will probably be the only person in the room that will suggest you hiring a position but I looked at the Planning Department's personnel and I was shocked to see it is only three people for

the amount of work that they should be doing, not that I am saying that Chris is doing a poor job but it is overwhelming. I am going to suggest that you put in \$60 to \$65,000 and hire a full time grant writer. That person's sole job should pay for itself with additional revenue they bring in due to their hard work. Not only that that will free up Chris' time to truly focus on Economic Development for the Community. Secondly I don't know today where the Mon Valley Land Bank is I know they are trying to get it off the ground and I also know that we are a member of it once it does get up off the ground. It is a simple suggestion and what is the best partner they can be or we can be for them. Let's make it easy for them to acquire land from us to get it back on tax rolls and finally my last point is I don't see anything in here especially Capital Program wise regarding sidewalks or parks and recreation and that is what my generation wants if we want to move into a Community. I am one of the few thirty something in this room but that is what we are looking for in a Community. It is affordable to live here and that is what I love about Penn Hills. It is close to the City but it is not a walk able Community. That is not going to change overnight I get that but we have to start somewhere.

Mayor Kuhn - right and as far as the Mon Fayette we have once again worked with them for years and I believe at this point in time I don't think

Shawn Kerestus - I reached out to them and got no response.

Moe Rayan - we are off the map and back on the map.

Mayor Kuhn - we meet with them on a continual basis. They give us information well you are no longer a consideration and then five months later when we write our letters then they say that we are. Between you and I, I probably won't see the Mon Fayette, you might but I probably won't and our Parks and Recreation I have to say that Penn Hills does have wonderful Parks and Recreation activities. I have people from other areas who come into Penn Hills for our parks and that and we do work on that and I do appreciate your comments and like I said that is why I told the residents we are not top heavy on our Administration Personnel if anything we might be on the low side.

Shawn Kerestus - Hire a grant writer.

Mayor Kuhn - Thank you.

Andrea Getsy - I have a question and I am from Crescent Hills Road - 151 and the question is I wouldn't have any comments about line items in the Budget. This is asking too much of me. I take for granted that whatever the Department Heads ask for they need it. I take for granted that the Manager holds their feet to the fire. So I don't have any suggestions along those lines. I reinforce though I accept the suggestions that John Petrucci brought up and I hope they are all looked into and I think those were the kind of suggestions you were asking for. Although you took issue with the ALCOSAN but I do want to know the question I have is why are the Revenues, where does your estimate of where the Revenues come from, why is it so low, why is it not

much different, it is lower in fact than 2016 and then the estimate the actual in 2017 is a whole million dollars more so why did you estimate twenty seven million eight hundred thousand in 2018 that is the same number in 2016. Did you account for the fact that there is 250 employees that will be coming into Penn Hills in 2018 those are many wage taxes that we will get?

Moe Rayan - we thought about that but they are not reality yet. I can estimate that we are going to sell this building for five million dollars next year and if it doesn't happen

Mrs. Getsy - they did sign a twenty - twenty-five year lease agreement and they are coming and so that is not factored in. I am just thinking this whole Revenue is really under estimated.

Moe Rayan - Yes Mrs. Getsy I get what you are saying but when that happens next year when they move in and that is when we do the adjustment for the end of year projection and it will show that particular figure but right now they signed and the ribbon cutting and all that but it is not a reality until they move in and actually the monies are coming in as Revenues and then it will be reflected in our Revenues as income and it will show for the end of year projection.

Mrs. Getsy - then that explains the employee parts but why is it no different than two years ago - Revenue? Why did you estimate it to be the same?

Moe Rayan - well it is a little higher it is not the same. It is a little higher we can't just project a 10% increase or 15% increase when historically we see how it is being increased throughout the years and it is not up to that percentage that we can predict. We would be lying to ourselves predicting numbers if they are not reality.

Mrs. Getsy - I would say also I would encourage Mrs. Kuhn talks a lot almost every meeting about the bad image of Penn Hills and I also read in the Progress every time there is an article about what is happening here that the reporter will say the Manager does not return phone calls. I would say that you should eagerly return these phone calls because this is how we get the education that you are encouraging us to get. It is whenever the reporters come to you with questions that you will answer them and it will get reported and we could read about it because you don't really expect the whole Community to show up at meetings. We need to find out through the paper what is going on so please answer the phone or please call the reporters back.

Mayor Kuhn - as far as the Projected Revenue that comes in Mayor and Council has directed the Manager for many many years that when he presents his Budget the Budget that he is presenting has to be real money not projected money because I don't want to end up in October with no money because what he projected did not materialize so that really is direction from Mayor and Council so I know that what is in this Budget that is why you have a balanced Budget so that we know that the Revenue that is for

real will be able to handle the costs that comes in. I would rather have an abundance when the additional funding comes. You can always then just like last year we did two or three more streets because of the fact our estimate and what the actual cost was lower so we used that money to do new streets but if he projected more money and it was less that is how Municipalities and School Districts get in trouble because they look at projected money. We at one time were told that the old garage was going to sell for 1/2 million dollars well first of all it didn't sell for over ten years so if we would have used that projection then we would not have been able to pay all of the expenditures so we don't go on projected money we go on real money for the Budget and that is his direction from Mayor & Council.

Mrs. Getsy - I agree that is a good philosophy but I didn't understand why there was not a natural increase there was not like I said two years ago you estimated the actual money was \$27.8 million here we are two years later \$27.8 million. I figured there would be some natural increase you have done every other year and so I thought what was the reasoning behind it.

Mayor Kuhn - well as I said our Finance Director he is on top of the additional income that would be coming in. He gives Mayor and Council the amounts where we are on a weekly basis so I don't know what the Revenues are that are coming in but he know the Revenues that are coming in. Now we had a big plus in Economic Development with Pull N Pay. That was a big plus because of the fact not just the Real Estate Tax but Pull N Pay will be paying Mercantile Business Privilege Tax so that will be a big asset and Mayor & Council took a real beating in bringing in Pull and Pay and the media at our meetings sat in here and listened to every meeting and took notes and everything and they chose when they gave the story on Penn Hills to say Penn Hills is putting in a junk yard in the Municipality so the residents when they read that article they all thought I would be stopped at the Giant Eagle or the Post Office and ask why are you putting a junk yard in? Well anyone who wants to go up to Pull N Pay it is nowhere near a junk yard so the thing of it is as far as the Manager answering or not answering the reporters they are here at the meeting, they hear everything that was said and they take that down with their notes and they are also able to come up and listen to the minutes of the meeting too. It is just like I said in the very beginning it didn't say in the media about our Budget, about all that Penn Hills gives their residents, rubbish removal which costs \$2.5 million, they didn't say that all the services that we give that we have not increased the taxes in this many years, they put in the one statement of the Manager's Report saying that Penn Hills is looking for a slide in their fiscal finances.

Mrs. Getsy - That certainly did bring out the audience because that is what people, you wanted that, you asked people to come, you said please come and help us figure out what to do and they did. I think it was good that he did it.

Mayor Kuhn - you thought it was good that he said there was a slide in Penn Hills.

Mrs. Getsy - I read the same part in the Budget and I think loud and clear that is what the Manager was trying to tell us. I am warning you folks he said I am warning you that we are going to have to increase taxes, that we are going to be looking at ways to do it. That is what he said in his Budget Message.

Mayor Kuhn - and that was for 2019 and I have a lot of people Mrs. Getsy who called me and said Mrs. Kuhn why have you said that the Municipality is financially sound when we are sliding into a problem and I said to them I was quoting the years that we were discussing. 2016, 2017 and 2018 we were not in a slide we have not been in a slide we were in a slide twelve years ago when we ended up with \$55,000 balance and that Administration wasn't even questioned and now our balances have been in the millions for the past many years Mrs. Getsy and the thing of it is just because next year that is how this Administration works they don't just look at this year they are looking at the projections for next year and anyone who has not received whether it is your home budget, your business budget, your church budget anyone who has not received any increases in their revenues for ten years and they have paid all the increases that have come in sooner or later that escrow account is going to be demolished so what he was stating was that we need to start looking now for what we need to do in 2019. Yes 2017 we had \$4 million, 2018 we will have over \$1 million but we can't just sit back and look at that we have to look at what is going to be projected and when people think that Penn Hills is in a slide financially then they need to see and they need to listen to everything that Penn Hills has accomplished and the services that we provide that our surrounding Communities do not provide and we have done all that and we have brought the debt down and we haven't continued to increase the debt and so now we are at a point where yes we might have to do something in 2019 and what I need I don't need you to do a line item but what I do need from the people is when they come and say well you need to get more Revenue in here. You express to me what you feel we need to do and I will answer you as to what the Planning Department, what the Manager and what Council has done on a weekly basis to try and bring

Mrs. Getsy - I only heard positive recommendations tonight.

Mayor Kuhn - Positive recommendations is what we want and solutions that is what I have asked for Mrs. Getsy and some of the comments and solutions that were given were actually not a reality solution.

Mrs. Getsy - There has been more talking on your part than there has been from the audience.

Mayor Kuhn - well that is because of the fact when the comments are made I feel that being that I am the Mayor of Penn Hills and I run under The Home Rule Charter, I meant that Mayor & Council were not giving their comments and Mrs. Getsy I did not give any of my comments on what I feel I am going to do with the Budget the only thing that I stated in the very beginning is we will not respond on what we are going to do with the Budget but that does not mean that when comments are made that I feel are not

100% accurate I need to inform the people who don't come to the meetings on a daily basis. If that offends you I apologize.

Mrs. Getsy - I hope that when we have these workshops that you are talking about that they are open to the public.

Mayor Kuhn - we never have anything that is not open to the public. Never.

Bill Mouts - 1335 Maple Avenue - Mayor Kuhn I want to thank you for what you are and that you and Council do a great job. You brought up Garbage Pick Up as our services. I just divided the figures and I came up with \$113.58 cents and I would be glad to give \$113.58 to save \$2.5 million dollars a year so you can take my \$113.58 and take that off of your Budget. I have a fixed income but if it will save Council \$2.5 million dollars I would give you \$113. Thank you.

Mayor Kuhn - Thank you. And I also want to express that we as the Municipality have a Double A Rating now you have to continue to have surplus of a certain amount of money in order to keep your AA rating

Moe Rayan - AA-

Mayor Kuhn - so that shows in itself that Penn Hills is physically sound because of the fact our rating would not be AA- so I applaud our Financial Director because of the fact he works very hard to make sure our bond rating stays at that percentage.

Angela Brown - Outlook Drive - I have a few different questions and concerns. I being a thirty something in the Community with children, the first thing is the River Front. I see Fox Chapel developing theirs and that brings in not just the boats being parked but that brings in restaurants and that brings in people hanging out and spending money and I see Oakmont doing the same thing and I don't know who owns that big stretch from Verona onward but I don't know if any of that is allowed to be developed but I would like that to be looked into and there are a lot of organizations and groups that are really into the outdoors so they might be able to help us along if we try to develop something out there. The other thing is the Web Site. I expect a Calendar of Events that is up to date. I expect when I see something negative in the news such as the kid who got shot I read several different articles one he was 16, one he was 17, one he was at the school, one he was at the playground, one it was near the school so I would like to go to our website and get the real story and that is a place where you can talk to us directly about there are more sides to a story and you know that we know that the newspapers are going to give us what is the big headline but we need you to talk to us some other way and this is the way to do that. Parks and Recreation I know that you say that there are a lot of people that come here but I leave Penn Hills to go to other Parks & Recreation to do things. You are talking about how you can't afford anything so I don't really want to bring it up but a shelter that you can rent. Where my parents live there is a log cabin it is nothing that fancy. It has a little kitchen with a refrigerator and a

sink and a rest room and then a room with some like big long tables and benches and that gets rented out. It is two years that they are renting it out now because it is full for all of next year and they are moving into the next year and Pittsburgh doesn't have that. There are a couple big buildings over in Monroeville. There is some stuff in North Park. If you want to have a birthday party or a family get together and you don't have a house big enough to do it there is nowhere to go to do that, so I feel like we have the land and there are parks that we could build something. Again if your website was being updated you could pull from the Community to help build it. I have e-mailed you a few times about this and if you look at what Cranberry did I know they have the Revenue of many businesses but they brought in a lot of volunteers to help redo their park and they got it up very quickly because of that involvement. My other thing is I know the school is separate from the Municipality but the School District is what is keeping a lot of people with kids from not moving in here. Tolerance for bad behavior is ridiculous at the school district so I send my kids to a private school because of the bad experience we had in the school district but we stay here because it is convenient and the cost of living is very good and we can get to a lot of different places quickly but I would like to see more with the Parks and Recreation Department and more things being offered. I think there was a summer camp or something but I didn't see anything about it. Again I looked on your web site so those are some things. I don't know if that is helpful but a person younger with children those are things that I am looking for.

Mayor Kuhn - I thank you for coming up and just as I was telling Mrs. Getsey, just when someone has a question it would be in the best interest not to answer and when you brought up the Water Front we worked on the Water Front for twelve years and we went to the Heinz Foundation to see if we could get a grant from them. What is keeping us from not being able to do anything because I agree with you water is money. Anywhere you have lake front, water front that brings in Revenue but there is a railroad that is separating Allegheny River Blvd. to Allegheny River and that railroad owner will not give any rights to anyone to be able to do anything on his property. Like I said we tried a bike trail, we have tried a walk trail and we have tried everything but that owner of the railroad will not give us any right a ways so with that there is nothing that we can do. So I am glad to hear from you because this is who the future of Penn Hills is it is the young people between the thirty and forty year olds with families so I would like to know what it is that would keep you in Penn Hills so I appreciate your information. Thank you.

Jennifer Curran - reside at 104 Everglade Drive. I have twin children in the district too but because of the same issue she had mentioned I know you don't have control of the school district but my children don't attend Penn Hills they go to a private school so I believe that is a major major issue like other people have mentioned about bring people in consequences of behavior, behaviors on the bus, aggressive. I think we can all believe that safety comes first before anything else before businesses. We need to put safety first. I am concerned and have been for the last couple years the fact that you have cut back on the crossing guards. So if we are taking money out of the Budget and we are cutting our babies safety that is unacceptable in my opinion. My children do take the bus but I have to get up every morning and afternoon and ensure their safety



via my vehicle because there is no crossing guard. You are taking the safety away from the babies. Unacceptable. That needs to be rectified. Maybe again a person's salary needs to be cut, an increase needs cut, something but our safety of our children needs to take precedent. My second comment is what all are you doing as far as collecting people's taxes that have not paid. How aggressive are you with that because that would be another incident where you could recuperate some Revenue.

Mayor Kuhn - The first thing honey as far as the crossing guards. That is a joint cost between the school district and the Municipality.

Moe Rayan - Fifty percent share.

Mayor Kuhn - I don't really know how they determined the number of crossing guards.

Moe Rayan - the posts are determined by the school district in conjunction with the Police Department for recommendations and that is how the cuts were made a few years back. The school presented their posts and some of them were determined to be removed from the list.

Jennifer Curran - so we have a Revenue but we are not investing it in the safety of our children is my issue.

Mayor Kuhn - I apologize because I am not versed on the crossing guards but I did know that it is a joint venture between the Municipality and the School District. I know that the School District when they were in their financial problems they cut the number. Now I don't know if the Municipality is able to add without the consent of the School District.

Moe Ray - We can't do that on our own. These are bus routes that we don't have any control over them so it has to be initiated by the School District.

Jennifer Curran - has there been any focus on maybe pulling some Senior Citizens within our district that would be willing to volunteer their time to do that.

Mayor Kuhn - and that would be very nice but there again we tried having the Magistrate when someone comes up and has to do Community Service we approached them if maybe the Magistrate could make the Community Service be cleaning the roadways of litter but we were told we can't do that because if someone would get hurt then it goes to a law suit against the Municipality. It would be nice I know my one cousin she is a stay at home Mom and she handles the bus stop in front of her. She knows all the children and all their names and she is there every morning and she is not paid. So it would be nice and I don't know if like the PTA if you could give that suggestion to them. They might be able to do something as far as asking for volunteers to do that. And the other item is you are absolutely right if the School District goes

down it will only be a matter of time before your Municipality goes down and that is what people need to know but I will tell you there are many many talented students in Penn Hills School District.

Jennifer Curran - yes, I was born and raised there. I have three degrees.

Mayor Kuhn - I have the opportunity to see that side and there are many talented young people who go through the school district and many of them go on to higher education.

Jennifer Curran - and I agree with that but there is an issue of safety in the schools.

Mayor Kuhn - the only problem we have is how the School District is perceived by the public and that is a problem. But if our School District goes down it is a matter of time before the Municipality would follow suit.

Jennifer Curran - and what about my second question? Aggressiveness of the tax collection for people who might not of paid.

Mayor Kuhn - right I know what we have with our sewage is Portnoff Law Associates. Who does the Real Estate Tax?

Moe Rayan - Real Estate is Keystone and Maiello and Maiello. Very aggressive. We are constantly getting money from them.

Mayor Kuhn - right. I know when we brought Maiello in the percentage of delinquency that he brought in was well over a 100% from previous collectors so I know Maiello's Office is very aggressive.

Jennifer Curran - and I just want to piggyback off of what she said as far as social media. I don't know if you have an Instagram but that is what our generation uses. It is quick and efficient and you can post for instance the Budget Meeting, the date, the time and the location and it is a quick look at so instead of just the web site looking at other things such as Twitter, Instagram which is a little bit more efficient for our generation to access.

Mayor Kuhn - But we do go over the delinquency because of the fact that it is unfair to have 80% of your residents paying and 20% not. So we do watch over that and I will tell you Wilksburg Penn Joint does not full around with sewage. If you are late they don't give you three months they bill monthly, Wilksburg Penn Joint. Now we have two collectors and they are Oakmont Water Authority and Wilksburg Penn Joint Water Authority. I will look into the crossing guards because I agree with you 100% that the children are our future and they should be our main concern.

Jennifer Curran - Thank you for your time.

Vince Tomko - 5801 Saltsburg Road - as you can tell I am one of the Paramedics from the Municipality so my curiosity with the Budget coming out is the essential versus non-essential personnel. I am kind of wondering where we are sitting in this equation if we are essential or non-essential and second of all if we are considered to be essential and it is something you want to forego within the future. After we are done with the Manager I would love for our group along with our Supervisor to meet with either Mayor & Council along with the Manager to go through a progressive future to keep the wages for our residents right around the \$7 - \$8 a person that we do currently.

Mayor Kuhn - if you could give your name and phone number to the Manager he will get in touch with you?

Vince Tomko - He knows me.

Mayor Kuhn - Thank you.

Christine Miller - I was looking over the General Budget and like someone else said I didn't see anything outstanding except when I came to an Administrative Secretary salary it seemed high in comparison say with the Parks & Recreation and the Senior Service Directors. On page 42 the Secretary salary is \$50,960 in 2017 and the Parks & Recreation is \$50,162 and that is on page 86. I wanted a clarification did you say that the Administrative Staff is Union?

Mayor Kuhn - I just met with the Manager when I had questions on the Budget about personnel and I believe that we have an increase in the personnel, the number of people.

Moe Rayan - I think there is one person.

Christine Miler - There was just one Administrative Secretary listed.

Mayor Kuhn - You are questioning if the Administrative Secretary you are questioning the amount of money that he or she is making?

Christine Miller - Well it is high. It sounds like a Corporate Secretary maybe. I am not saying she doesn't do a lot of work believe me I know. I am a former Union person from way back but that seems high when the Parks and Recreation Director is making \$50,152 and she would be making \$50,960. That seems that a Director logically to be a little higher not that they are doing more work I am not saying that but

Mayor Kuhn - Mayor & Council will go over that with the Manager before we present our comments on 12-18-2017.

Christine Miller - I think like John Petrucci mentioned about the minimum and maximum of the job, I think that is a high amount.

Mayor Kuhn - Any other comments?

Christine Miller - No that is all.

Mayor Kuhn - Thank you. Do we have any other comments from Council? Scratch that Maureen. Do we have any other comments from the residents?

Mayor Kuhn - o.k. with that I will conclude the Budget Hearing Meeting and we will see you all on December 18th, 2017. Thank you for coming and we appreciate the input.

ADJOURNMENT - 9:10 P.M.

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MAUREEN SORCE  
MANAGER'S SECRETARY