

DECEMBER 3, 2018 1ST BUDGET HEARING MINUTES

Mayor Kuhn – Good evening and welcome to everyone for coming out for the Budget Hearing Meeting. It is very important for all residents and tax payers of Penn Hills so we are always so happy to see a nice crowd. Before I call the meeting to order I just wanted to explain how the Budget Meetings are held and what are expected at all three of them. On October 31, 2018 the Municipal Manager submitted the Municipal balanced Operating Budget for 2019. The budget was available for public review at that time. The budget presented tonight represents The Manager's Budget it does not represent Mayor and Council's Budget. It represents the data that the Manager received from the Directors and his own data. At this point in time, Mayor & Council have not given any input on the presented budget. We have just examined it and now we have our first meeting tonight and this budget meeting represents the following: Our first budget meeting is for the tax payers and the residents to present their comments to Mayor & Council. Tonight Mayor & Council will receive Public Comment and any data the public has to offer regarding the proposed budget. Once Mayor & Council has received all of the information from the Manager, the Directors and the residents it is at that time they will go over all the information from all parties taking into consideration everything presented to them and then at the second budget meeting on December 17, 2018 at 7:00 P.M. Mayor & Council will then present to the public their recommendations and findings on said budget. The public after hearing Mayor & Council's recommendations will then have another opportunity to address budget concerns after Mayor & Council gives their presentation and of course they will have the same opportunity at the third meeting before the adoption of the budget takes place. At the 2018 1st budget hearing meeting the Mayor gave answers to the public that the public addressed. The mayor did not give any of her personal comments on the said budget but the media and some of the public gave negative comments on how long the Mayor spoke but no comments were given on the answers that the residents received. I have always been of the opinion information is your best tool and misinformation is the most damaging. If however the public media would prefer their officials to be silent and not present their information to the public's inquiries that is how the meeting will be run tonight. So tonight we all have our budgets in front of us. We all have our pens and pencils and we will write down each and every comment and concern that the residents have. One thing I would like to give you only as a tip is that what you are looking at tonight is a proposed balanced budget. Any items that you feel need to be given more revenue to if you give you name and address if you also give the page number and the amount of money you feel should be added to that particular line item and if you could also find a line item that we could take money from in order to take more money in that would be very helpful. With that being said I do want to say that I did receive a letter in advance from a Penn Hills resident with some questions and concerns which I appreciated because that gave me the time to look up the information for that particular resident and for the public. I won't be giving it tonight being that's not how the public would like tonight's meeting to go but I will present it to the resident afterwards. As I said if you could give a line item so that Mayor & Council can look at what line item on what page you would like to have more funding to and then if you have any idea where

we could get that money from then that would be very helpful. But as far as tonight I just don't want you to think Mayor & Council are just sitting up here like deer in headlights we are just here tonight to receive your comments and your suggestions and like I tell everyone we are five people and we don't have all the answers. So any answers or any input that can be given by the public we appreciate it. That being said I will call the 2018 1st budget hearing to order could you please stand for the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

All stood for the Pledge of Allegiance.

Mayor Kuhn – I was ready to say Maureen until I looked over. Roll Call please.

ROLL CALL

Mayor Kuhn
Mr. Petrucci
Mr. Underwood
Deputy Mayor Sapp
Mr. Brodnicki – Absent

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

Also attending were Andrejchak, Manager, Scaglione, Purchasing Secretary, Schrecengost, Finance Director, Dice, Solicitor, Blackwell, Planning Director, Minsterman, Engineer, Burton, Chief, S. Shepard, DPW, McCafferty, Director of Code Enforcement, Miller, Fire Marshal, Zeak, Director of Library, EMS Director Fitzhenry, Scaglione, Director Parks and Recreation and Toth, IT.

Mayor Kuhn – Before we have comments from the audience the Manager always puts in his overall review of the budget and we ask him to read it in to the public record so that is what I will ask our Manager to do at this point in time.

Scott Andrejchak – Thank you Mayor. I do have a summary of the budget, the proposed budget as well as how the budget was developed. Mr. Andrejchak did a slide show. Maureen put his Budget Message in the Minutes. SUBMISSION OF 2019 OPERATING BUDGET

Attached is a balanced operating budget that consists of the General Fund, Sewer Fund, Highway Aid Fund, the Capital Improvement Fund and the Government Center Fund. This submission also includes a slide show presentation which is printed and attached, and also available on line. The slide show uses illustrations to explain the budget proposal and what services are refunded with the dollars the Municipality receives. It is also available to download on the Penn Hills website. This budget

contains contractual wage increases. School Guards, Paramedics/EMT's, and building and office employees are slated to receive 3%. Police and Water Pollution Control employees are slated to receive 2.5%. Public Works employees are slated to receive 2%. I am proposing a 2.5% increase for non-union employees. The Consumer Price index for All Urban Consumers was 2.5% for the first half of 2018 and was 2% for the last half of 2017. Budget Process – The budget process began shortly after my appointment on September 17. I would like to extend sincere gratitude to the Finance Director and staff for working with me on developing the budget in such a short time frame. The Finance Director and I met with the Directors and Department Heads during the week of October 1st. During those meetings, Directors presented their budgets, explained any changes to their department budget and, in some cases, requested new expenses. During those meetings, changes were made to Director's Budgets after discussion about the Municipality's financial posture going into 2019. On October 8th, 2018 the Finance Director provided me with an updated budget that included those additions and reductions that had been made during the departmental meetings. The draft budget produced on October 8, 2018 reflected expenses in excess of revenues in the amount of \$2.1 million. During the week of October 8, 2018, I made changes to the budget in order to balance revenues and expenses. Part of this submission is an explanation of what those changes are, and how I am proposing that Penn Hills balance its spending plan next year. 2019 Revenues are estimated to be \$29,720,008. This reflects a \$1.9 million increase in revenues from the 2018 Proposed Budget. This budget proposes a 1 mill real estate tax increase. The increase is almost directly related to the increases in refuse collection and disposal. The Municipality's current millage is 5.444. An additional mill will generate approximately \$1.4 million. An increase of 1 mill would mean an additional \$1 per \$1,000 in assessed valuation. For a home assessed at \$100,000, it would mean an additional \$100 per year. Increase in Cost of Municipal Refuse Collection – In September, the Municipality sought proposals for trash collection through 2021. The cost of refuse collection for 2019 will be \$3,322,407. It is an \$832,327 increase. In 2020 it will increase by \$138,195; in 2021, by \$138,195. It's a million dollar increase over the contract term. The increase is due to changes in the recycling market, which the Municipality has very little control over. Because of changes in the demand for recyclable materials particularly in China, haulers' costs of handling recyclables have increased, and those costs are being passed onto the municipalities and end-users. It is an issue with the global market for recyclable materials. It is not due to anything related to Penn Hills, how we bid the service or how the Municipality is paying for the service. There is no realistic way of absorbing the increase into the General Operating Budget, without a series of corresponding, drastic expense reductions or an increase in revenues to pay for the service. I am proposing to increase the real estate taxes by 1 mill in order to fund the increase in trash service. The Municipality provides trash collection and removal through its General Municipal Operating Budget. Households receive this service as part of their municipal taxes in Penn Hills. How this service is paid for can vary from municipality to municipality. Each way of providing this service has benefits and drawbacks and it is very much based on what works best for a particular community. Whether it is provided as part of the General Municipal Budget, billed directly to the

hauler or whether the Municipality bills for the service as a fee – the cost of the service is passed onto residents. Changing the way the service is billed would not change cost of the served, however, if the Municipality chose to bill for the cost as a refuse fee, it would have to bill for the \$3,322,407 plus administrative costs, and adjust another revenue (downward) in the budget. In years 2019-2020, the fee would have to be increased to cover the increases in the hauling contract.

	2019 Estimated	2020 Estimated	2021 Estimated
Residential customer	17,377	17,203	17,031
Cost of the service	\$3,322,407	\$3,455,304	\$3,593,499
Estimated cost Of Collection	\$66,448	\$69,106	\$71,870
	\$3,388,855	\$3,524,410	\$3,665,369
Residential Cost 2019-21	\$195.02	\$204.87	\$215.21

The above chart is an estimate of what a residential bill might look like, if the cost of trash services was billed to residents. It is assuming 2% cost of collection and also assumes a 1% reduction in customers annually. It is only an estimate and if Council desired to look at this option, some additional work would be needed to firm up how it would be billed along with the administrative costs of the collections. Efforts to Reduce Expenses in 2019 – In addition to a proposed 1 mill increase, I also am proposing to eliminate three (3) vacant Public Works positions. These are positions that are unfilled, but have been budgeted for over several years. Eliminating the three (3) positions reduced the expenses by \$230,000. In the place of the three (3) vacant positions, I am proposing the creation of one (1) position which would be funded equally between the General Fund the Sewer Fund. The details of the position would be developed if the funding is approved. The Sewer Fund and Public Works are both Municipal Departments and it is not without precedent to have a position funded between two departments. In addition, the Municipality is taking a closer look at contracts for all services including landscaping, janitorial and others with the intent of saving money where possible. Capital Fund Planning – In order to balance the Budget, I have removed all new capital requests. In their place, I am proposing a capital contribution and an enhanced Capital Planning process next year. Alternatives to this budget proposal – I am also providing some other scenarios for Council’s consideration, if a 1 mill increase is not something that Council supports. Alternate 1: Eliminate \$1.4 million of additional costs in the budget. This is not a practical option. When the budget process began the Municipality was looking to lose a \$2.1 million shortfall. After removing certain capital expenses and restructuring positions, the Municipality still left with \$1.4 of costs, which are funded through a 1 mill increase. Rather than fund that

\$1.4 as a millage increase, the Municipality could eliminate the cost through a service cut. If Council wants to explore it, I could develop a series of plans which would cut service but this is really not practical. Also, there are reductions in budgeted positions in 2019 in the budget to begin with. Alternate 2: The Municipality could raise Earned Income Tax (EIT) to cover need for additional revenue. The Municipality currently levies a 1.76% EIT, with .5% designated to the school district. Instead of increasing real estate tax millage, the Municipality could instead raise the EIT enough to cover the \$1.4 million deficit. If you accept that the increase in refuse fees it is the main reason for additional revenue, then increasing the EIT to cover it may not make sense. In some cases, you have multiple wage earners in one house, and each would pay more to cover the refuse fees. At least with the real estate millage, the increase is based on each individual property. Alternate 3: The Municipality could bill for residential refuse collection directly, and lower revenue by a corresponding amount. The estimate of what that scenario may look like was provided above. If this is a scenario council favors, more calculation would need to be completed by the end of the year, and vendors would have to agree to bill the service. It is likely that the water companies would be willing to bill this for the Municipality, but some agreement would have to be solidified. Some 2019 Goals and Recommendations – Apply for DCED funding for an Early Intervention Plan. Grants available will cover 50% or more to complete a three to five year plan designed for municipalities that are realizing financial difficulties and seek to improve their financial position. The plan is designed to be a pre-emptive step and makes a series of financial, managerial and economic development strategies to strengthen the Municipalities financial position. The plan would provide a roadmap that the municipality can implement for cost savings. Work with Duquesne Light to locate and map (on GIS) all of the street lights in Penn Hills. The purpose of the project would be to have a definitive GIS map of street lighting in Penn Hills. If we had this information, future choices could be made about areas that may have overlapping lighting (i.e. more than 1 light placed within the radius of another light). It could be a resource to be used logically to determine if there are areas of Penn Hills where lighting could be removed. It could be a way of reducing lighting costs in the Municipality. Respectfully Submitted, Scott Andrejchak, Esq., Municipal Manager.

Mayor Kuhn – Alright I hope that the information that the Manager has presented has given you somewhat of an overall of what the budget represents and how the budget is brought forth to the public for their review. As is said what Mayor and Council will do tonight we will have anyone or everyone give your name and your address and whatever information that you need to ask Mayor and Council will write those questions down and next meeting we will present our answers to all of the questions that were presented tonight. As I said if there is anything that you are wanting to have an increase amount of revenue put into a certain line item just remember we have to take that money out of another line item in order to balance the budget, also in the budget there were different ways of bringing in revenue and I don't think that we are prepared completely to present all of those because we are waiting for some other proposals to come in.

Scott Andrejchak – That is correct Mayor. I did try to present the Mayor and Council with some options which is the one that I am eluding to I think you could speak about it conceptionally, however, we don't as of today have anything concrete proposal for actually doing it. I expect those but they aren't here yet but Friday is the deadline.

Mayor Kuhn – O.K. so if someone has read over the budget and saw some of the suggestions that the Manager has made and give your opinions that is fine but like I said we won't be able to give any details because we are waiting on some of the proposal information as to what we are looking at but it is fine for you to bring in any suggestions.

Caitlyn Ertle – Clematis Blvd. (very low can't hear) – He referenced some of the salaries. When I looked at some of the Police Officers around the states it was around in the \$60's yours are in the 90's. This is not the wealthiest Municipality in the world so I looked up one of the wealthiest in Virginia most wealthy in the Country and their salaries are about \$30,000.00 less for a Police Officer. They are very valuable and I know that but I think that is very interesting to take a Municipality that has a budget like we have here and see that even the garbage collection they have about 75,000 people there (in audible) and they get better services than we get here for less. I just encourage you and I know you can't answer to look at other Municipalities and other places to really see if we are in the correct ballpark. I noticed a few things and I know that there are contracts but contracts are renewed and I think that is something we should keep our eye on. Thanks.

Mayor Kuhn – Thank you very much. Did any Council Members want to ask the resident or does everyone understand what her requests are.

Mr. Jim Getsy – 151 Crescent Hills Road. – Welcome Mr. Andrejchak to Penn Hills. (inaudible) some things jumped out at me that was of interest to me. I did submit my questions a couple of days ago. Page six there was four million dollars that we were told was a roll over from last year's budget to this year's budget when Moe Rayan had his last presentation and my question is what happed to that four million and how does it relate to the expenses that revenue by the \$2.2 million. Is the four million rolled into the General Budget or where did it go?

Mayor Kuhn – This is why it is very difficult because we have answers for the residents but then we get criticized so we are just going to hear the questions and write the answers down and give at the next meeting.

Jim Getsy – Page 14 – Delinquent Real Estate Taxes. My question is was the number projected for a summary of all real estate taxes that could possibly be collected and how many of these taxes will be collected. So is it an estimate because of the (inaudible). Page 25 – Lien Letters – Is this a list of current liens or expected liens. Now there are liens against a number of properties in Penn Hills as there are other places and these liens are they being collected and how much has been collected in the

past year and in this coming year. Is this an estimate or an actual figure of liens to be collected? Page 39 professional services. I couldn't find what these were and what they are and what is the break down. (in audible) - Page 51 what are the professional services and why the dramatic increase since 2017. This is a comment. I know that the Code Enforcement Officer is in charge of building maintenance. Why does Code Enforcement Director with a large amount of administrative cost why does he have to do building maintenance also. Page 105 miscellaneous expenses – we can drop that one. What are the special pay items? Last year \$220,000 was given in severance to Mr. Rayan when he left what budget did those funds come from obviously they had to come from some budget and it was kind of unexpected that he received those funds but question is where did it come from and o.k. that covers what I am interested in and thank you for your attention and I will wait for your responses on this.

Mayor Kuhn – Mr. Getsy I do want to thank you for your memos that you sent out to Mayor and Council and it was very helpful and I was able to write down the answers that were given to me. Thank you.

Faith Milazzo – 121 Castle Drive – I have a question and it is kind of a request. In the Parks and Recreation section around page 86 – 88 I was specifically looking for the free band days and movies nights on Friday and Autumn in the Hills. I couldn't tell if it is in the budget so if those aren't in the budget I would urge Mayor and Council even if you can't do movies and bands in every month. The money might be there these are just a couple of things. General Fund on page 34 there is \$1.5 million in overtime and it seems like a lot to me and it might not be because Penn Hills is huge it might be a perfectly normal amount of over time, general fund 35, for schools and conferences that seems like a lot again and I know we have a lot of employees but when you have a budget issue reduce some of that. I have a question on page 39 there was (in audible) in emergency management expenses I just don't know what that is so if someone could let me know that speaking personally and I know you are running this the way you are I would welcome answers to my questions and I appreciate getting answers to my questions I just feel like this meeting isn't the time for opinions from everyone but I welcome answers so in two weeks I would appreciate those answers. Traffic Safety on page 61 there seems to be one employee from what I can tell salary over \$97,000 it seems a lot and there is \$15,000 in special pay and \$38,000 in overtime and I am presuming that is not all for that person making a \$100,000 but again I don't know so I would just like an answer understanding that. My guess is it is for other people if it is for that person that is in my opinion just a little excessive. Code violations on page 18 there was \$9,000 in 2018 but if I understand the budget approximately only \$3,500 was brought in. I have called a bit throughout the year I was talking with Cory today and I think Code is too easy quite frankly and I appreciate if someone calls in a violation people aren't fined right away. Parking could be reinforced a little bit more. That could bring in a tiny amount of revenue. Littering and parking also. Another thing with money, I know people have union contracts but if there is anyway and I mentioned this last year in the future some of the raises 2-1/2% and 3% even if they went down a quarter of a percentage point. I have never gotten a 3% raise the money just isn't there. Last thing

is sewage it seems like sewage again is going up I am sad because we pretty much do pay the highest in the County and I mentioned last year is the sewage fee every going to go down. I am not sure what we are getting for that \$30.00. Educate the public on recycling. Don't raise the income tax Penn Hills has the highest outside of the City of Pittsburgh, we don't need to have a higher income tax than we do right now.

Minister Dennis – 118 MacFarland Drive – Thank you Mayor and Council. I did just what you said Mr. Petrucci I called ALCOSAN and spoke with two of the Managers in the company Ms. Dawn and Kara Michael, a PDF of their Resolution explained to me that we have a third party in the Municipality of Penn Hills and that it would be better if we would use direct billing from ALCOSAN but in my situation my house is billed through the WPJWA and she said on top of their fees the Municipality receives some of that from our billing. It used to be quarterly now it is monthly and she said there was a surcharge from WPJWA and the Municipality versus just being direct billed from ALCOSAN and it would save the residents a lot of money. She went over my bill from June of this year and broke it down by 1000 gallons and it was (inaudible) and according to the way she broke it down I only should of paid for the sewage \$14.42 but the bill for my sewage was for \$35.24 so I am asking if we can consider maybe going into direct billing to ALCOSAN and save the residents of Penn Hills money. I feel like I am financially raped by that sewage bill.

Betty Arntz – 172 Highland Road – I have a couple of questions in the overview of the budget preparation of three vacant positions but when I looked over it looked like two additional positions were eliminated. Information System and a position was full time Librarian. And I am especially worried about the library position. Money to bring those positions back and on page 130, I see the salt and cinders cost is increasing from \$338,000 to \$693,000 and I am sure that is not just a price increase. Tell us if that is a place to find the money especially to put the library position back into the budget. Thank you.

Andrea Getsy – 151 Crescent Hills Road – Address dealing with the Manager's suggestion of raising taxes by 1 mill. I want to say that I am an opponent for the reasons of taking care of the Waste Management increase. I really don't want to see quarterly bills come in because and I don't want to see it because I think with the pain of the sewer bill is real and I wanted to give you a copy of something I found on line in regard to the Penn Hills Sewer Bill I would like to hand this to you. I think you should go the other ways increasing the taxes is because people will give that in a monthly if they have a mortgage that is they will pay that on a monthly basis. It will be less painful. The quarterly billing and administrative costs are associated to be \$207,000 over the next two years and that is a cost we presently don't have when going through the taxes so then people are going to then pay more and I think we have to look at what is the medium income in Penn Hills because it involves around the fact that this community cannot afford these kind of charges. Our medium income is almost \$50,000.00. This amount \$4,500 below the average for Allegheny County. Quarterly every resident is receiving sewer and water bills but some people get monthly bills from Wilksburg

Penn Joint Water Authority. If they are paying quarterly bills they are \$250.00 or more if an additional \$50.00 is added each quarter for garbage pickup it will be a heavy burden and most significantly four times a year the resident will be reminded of this burden to expanded on that Penn Hills has the highest sewer cost of 26 communities in the eastern area and these charts are put out by a non-profit organization called Three Rivers Wet Weather and this organization is wanting to help their rates comparing to neighboring communities. They want you to compare it and allow you to measure the current level of burden on your tax payers. The Environmental Protection Agency suggests that the sewer rates in excess of 2% of medium household income are a hardship. Years ago we were below that 2% we were at 1.7% but now we are 2.20% that is what they call a burden. I know that it is proposed that property taxes would be reduced to the extent that everybody would get their money back and then could pay but we all know when your bill comes in your money is going to be long gone. I wonder how many people are not going to pay. Is the debt collection of that being factored into the cost of billing people? There will be a big percentage of people that won't pay and we are going to have to incur expenses to have fines against them and go to court or whatever it takes to have people pay their bill so I think that we are taking on a responsibility that is too much for this community. This community has provided this service and it is one of the best services that you have provided over the years and I don't want you to give that up. And the reason is our need has gotten greater not less. With that being said you got the charts and then I understand from your comments Mayor that we have to ask our questions tonight and I have questions about the sewer bills and I didn't come prepared with copies of that so what I will do I see when I looked over the sewer budget there is a three million dollar increase well if you look at it says at the bottom line and this is on page 108 of the budget and the bottom line is \$17,479,000 for 2019 but the estimated one in 2018 \$14,500,000 so that is huge increase and a lot of it is up here in salaries. \$500,000 in salaries and another \$175,000 in benefits but we don't know why and then we see expendable supplies and tools went from \$85,000 to \$113,000 and on page 108 we see sanitary sewer lines going from \$240,000 to one million and we see something I don't understand is the switch around of principal to interest where principal went from \$1,400,000 to \$3,800,000 where interest went \$2,800,000 to \$428,000 this must be very boring to everybody but just presented these questions without answers but I am just going to give you my highlighted pages so next time we meet you could explain what this business is about because if there is any way that we can reduce these sewer costs one of the things that could happen is could certainly drop that \$30.00 surcharge that would go a long for helping pay the \$50.00 extra every quarter. Thank you for listening.

Mayor Kuhn – Thank you.

Ed Zullo – 113 Elizabeth Drive – After being on facebook with Mr. Petrucci why don't I just tell all of you what I have been telling him on facebook. Basically the situation with the recycling. I love recycling I have been recycling since the 1970's. Currently I throw away three red buckets every week. Every other week so apparently the recycling market has collapsed. China quit taking it from us. Maybe that will

change in the future. Right now they are collecting it and paying to get rid of it instead of getting paid to recycle it. So apparently Republic Waste cited that this is a reason their costs have gone up so high so I took a look at the act of recycling when they envisioned it 30 years ago they assumed that markets would take all of this stuff but it really hasn't so they are in a situation they are stock piling it up because they can't get rid of it or they have to pay somebody to get rid of it so I think what we are doing here in Penn Hills we have a very good service because we have it collected every two weeks and we have it curb side collection. I think we could petition the state to get rid of the curb side collection and just have collection places where people could just go and drop off and that would save all the labor and all of the trucks that is something that we would have to petition the state. I noticed in the laws the requirement is only picking it up once a month so perhaps if we picked it up once a month instead of twice a month that would save all the labor and fuel and trucks that Republic has to do. That is just some ideas that I had.

Mayor Kuhn – Thank you.

John Capone - 420 Northview Drive and I am also a Penn Hills Fire Chief. We just want to ask Mayor & Council not to forget us. You have been treating us great over the last few years before that we were forgotten and I hope that we are not going to fall back into that again. We are all tax payers and we don't want to pay anymore taxes and I understand where you are in a bind here and trying to make things all match up but try to remember the fire departments. We run a lot of calls and we just don't have that much more in us so please don't forget us. Thank you.

Mayor Kuhn – Thanks Chief. Not to go against the statement I made but Mayor and Council, this Mayor and Council will not forget our volunteer fire departments.

Laurie Kelly – 825 MacFarlane Drive and I just have two comments to make that I would like some answers for. First one is dealing with recycling. The young lady about recycling is concerned that this is going to be a problem and I would like to know exactly what is being cut in the recycling program. We are paying for more but getting less. For example they won't be picking up glass as part of the new contract. So I would like to know what exactly they are cutting out of their services for this wonderful increase in pay. Also I would like to give this to Council this is a copy of what Republic just sent out to Plum Borough and listed on there for excepted items is glass of all types and colors. So why are we paying more for glass is one question. The second item is the cell phone items almost listed on every single budget. Most employers no longer supply their employees with cell phones. Almost everybody has a personal cell phone and they are usually unlimited text and messages so the employer can get in touch with the person if they need to. So why are we still paying for business cell phones? Thank you.

Mayor Kuhn – thank you.

Damian Bitz – 418 Rodi Road – Just wanted can I go back to what was mentioned on one slide. Penn Hills obviously looks forward to collecting lots of real estate tax and as a real estate investor always looking for different ways to be able to keep costs down either flipping a property or getting a rental ready suggest maybe toss around a few ideas I think that depending on how many properties in the Penn Hills area where back taxes are owned this is something I think Claritin has a program a few years ago but a long story short they were able to set something up with the state that the general public could purchase some of these properties which were vacant for so many years and in deplorable conditions. With all these properties just sitting there collecting absolutely no money maybe something could be worked out with the state. I do understand that there are certain procedures the property can go into sheriff sales but if something could be worked due to the budget maybe just maybe these properties could start being purchased by people within the common area. Just a general number 100 properties at \$15,000.00 we have \$1.5 million dollars just for 100 properties. Now you think of those properties purchased let's just say ten percent of them go back into some sort of nonpayment we have 90% maybe 85% of these homes have been purchased now you have tax revenue coming in from these recent purchases and then at that point of course hope that most people purchasing them are going to maintain and up keep. I think that would bring in a whole lot of revenue for Penn Hills. Majority of the problem could be resolved.

Mayor Kuhn – Thank you.

Corey Young – 717 6th street – I just have some broad comments about the budget and its entirety. Just to mention that Western Pennsylvania has dubious distinction of having a tremendous number of municipalities and because of that tremendous number there is fierce interjurisdiction completion for residents and tax payers and so I am relatively new to Penn Hills about two years and I love my neighbors and I love my community but the budget line that this body has in addition to the budget line of our other local taxing body only serves to people moving into the community which only further weakens the community in the future. So it is really disheartening to be a relatively new member of the community and sort of be brow beaten by both the Municipality of Penn Hills and in addition to the Penn Hills School District in a one two punch. I would like to say also that if the cost of one service forces an increase in the taxes and fees then really the municipality is not physically prudent and it really makes some really important questions about what the money is being spent on and what the municipality is budgeting as a whole. To that end I am really pleased about Mr. Andrejchak mention about the DCED Earlier Intervention Program in the proposed budget. However, if you pull language directly from DCED which I am very familiar with in my line of work and the services that DCED provides the language from that early intervention program specifically states the early intervention program plan requires that local governments prioritize their most critical services and establish a process that ensures that resources are in areas of highest priorities thus taking a triage approach. If you look at this budget and the things that are enumerated in the budget such as 3 and 2-1/2 percent increases for the wages that does not signify to the tax payers a triage

approach. Furthermore if the municipality follows through with the Early Intervention Program that then puts you on a path of a very specific modified behaviors going forward. So if you are going to take this grant money from DCED is the municipality ready to follow through and if DCED recommends a third party consultant to slash the budget dramatically is that something that the municipality wants to follow through with in the future. Specifically for the refuge I think overall since we have never really been disappointed in the quality of the service and the fact that the fee is going up is particularly disheartening again to use that word. If I had a penny for every facebook post about trash not being collected and recycling being missed. I could probably retire tomorrow. It is a common occurrence and actually a lot of people are not happy with the current service provided. I am waiting for an answer to my Right to Know Request through the Municipal Manager's office. I realized that they needed a 30 day extension but part of what I had asked for was information about the bid request, bid tally sheet for the refuge collection and details about that bid. I think that goes directly to the point that Plum and what they are being offered in comparison to what we are being offered. If it comes down to a choice between those three issues, earned income tax, the fee for service or the mil increase my personal opinion would be to go with the increase in the mil or to go down with the fee for service there should absolutely be no connection to an earned income tax in the municipality with a provision of one specific service. That in terms of tax policy is really really foolish in many many ways. It would be preferable to take that course of action rather than the Earned Income Tax and that is all my comments. Thank you for your time.

Mayor Kuhn – Thank you.

Allison Barsick – 1953 Outlook Drive – I would just like to make a small comment also on the form of taxation here for the refuge collection. I would support the mil increase over the monthly collection or the collection of billing separately. I think that our taxes, trash collection is not a nice fee and it goes to the health and safety of the community and therefore my taxes should go towards that and it should be included as part of my taxes. Thank you.

Mayor Kuhn – Thank you.

Steven Fineberg – (inaudible) was not close enough to mike could not be heard. I came in late what is the deficit what is the actual number we are running this year. Is it \$1.4 million is it \$2.2 what is it. Is it possible you could do a call back on the \$200,000.00 on the buyout of the previous Manager is it possible you could go back or has that money already been disposed of. We are talking a deficit here that \$200,000.00 is pretty significant that is like 20% of it so I know sometimes you can go back and do call backs and I am sure if you are dedicated to Penn Hills and I know Moe is he would give back to Penn Hills. I know I would be willing to give back what I am trying to get to and this sounds funny I am to the point now I am ready to leave Penn Hills. I have been here since 1979 between the school district and the sewage rates and this I think it is becoming a joke. It really is. It is becoming a fiasco. You guys do

a good job as far as the Police, they do a good job, Public Works does a good job (inaudible). This building really looks nice and if it came within budget then that is good. That's good. I do like the building. Chris is the only person I recognize (inaudible). I don't want to pay (inaudible). I am at the point now I could go anywhere. I am a computer guy (inaudible). I don't have to stay in Penn Hills. I am at the point where it is pushing a lot of people out of Penn Hills and now this. Please do a call back of \$200,000.00. I am sure Moe would appreciate that and I am sure that is something that he is not going to like but guess what that is a lot of money to give somebody when a town is experiencing a difficulty like we are. \$200,000.00 is a lot of money and that is all I have and I hope to see you in two weeks with some answers. I appreciate your time.

Mayor Kuhn – Thank you for your comments.

Vicky Meisner – 1715 Loretta Drive. I just want to know what this is on page 134 what this special pay is. \$1.2 million dollars on top of salaries, \$9 million overtime, \$1.5 million what is special pay. That is what I want to know. Thank you.

Mayor Kuhn. Thank you.

Cindy VanHorn – 469 Springdale Drive. Unlike some people Republic I have had excellent pick up on our street I have never had a problem. Sometimes when I ride around and I see the condition the people put their trash out don't bag it don't put it in anything it is just thrown in front of their yards and they expect the trash men to spend ten minutes picking up this and that and it is not properly bagged is the only time I would say I have seen them not pick something up. The only thing is I would prefer a 1 mill increase in my property taxes versus having to pay another monthly quarterly bill for trash. That is all. Thank you.

Mayor Kuhn – Thank you very much for that comment.

Judith Anderson – 352 Penn Oak Drive. I don't want to pay any more real estate taxes and I don't want to pay anymore sewage and I don't want to pay anything for the trash to be picked up. I am going to tell you that there are a lot of senior citizens that are living on social security and then they are going through this issue now with UPMC and Highmark with their Medi-Care Advantage. Enough is Enough is Enough. The sewage problem has been here for years. This goes back to when Auggie Damian was the solicitor. Why is that issue not resolved? I would like to know. Do you do zero base budgeting or just add on and change the programs? I don't want to pay anything else and I don't want to move out of Penn Hills. That is all and I can't afford to stay.

Mayor Kuhn – Are we all done I don't want to leave anyone out. I think the information and questions were well presented and I know that Mayor and Council will take everything that you said under revision and we will at the next meeting as I stated we will have answers for the questions that were presented to us tonight and the public

will have at the second meeting on the 17th will still have an opportunity to present any other information that they may have and even after Mayor and Council give their comments they still would have any opportunity again and then the final vote on the budget is still open before we vote for public comments. Thank you very much. I do appreciate everyone coming out and giving help to us. This is a very large situation that Mayor and Council have to do and five people cannot make the decision a lone for 40,000 plus so we appreciate the information that we received from our residents and taxpayers. Thank you so much. We will be having our regular Council Meeting following a brief stay so I need a Motion to Adjourn.

Mr. Petrucci made a Motion to adjourn.

Deputy Mayor Sapp seconded the Motion.

Everyone in favor, Motion is adjourned.

The Meeting ended at 8:21 P.M.

MAUREEN M. SORCE
MANAGER'S SECRETARY