

MINUTES

The Moon Township Board of Supervisors met in special session at 6:00 p.m. in the Moon Township Municipal Building, 1000 Beaver Grade Road, Moon Township, PA 15108 to continue discussion of the proposed 2010 Municipal Budget.

Board of Supervisors present: Tim McLaughlin, Jim Vitale and Marvin Eicher. Also present: Jeanne Creese, Adam McGurk, Lisa Lapaglia, Sarah Welch and Supervisor-elect Andy Gribben.

Ms. Lapaglia said that after review, there are some things that have changed so far as the budget is concerned. She said that she would like to point out some of the significant changes.

On the summary sheet, the 2009 year-to-complete amount for Interfund Transfers is \$682,366.20. This amount is for the Local Services Tax for 2008 that was never transferred to the general fund and the 2009 amount. In the 2010 recommended column, there is also an interfund transfer of \$351,995.80. This is the budgeted amount for 2010 based on the Local Services Tax. These amounts are all now incorporated into the general fund. This will make a difference in the carry forward for 2010 and the bottom line for 2010 actual budget.

Regarding Real Estate Tax-Current General and Real Estate Tax-Current Fire, Ms. Lapaglia said that originally those numbers amounted to \$5 million. She calculated the fire tax out of the original number. Ms. Creese said to remember that the fire tax is basically a real estate tax (.2 mills) which is calculated out of the total real estate tax collection. The local services tax is the former emergency services tax and is a wage-based tax. Those are different revenue streams. Ms. Lapaglia explained how the amount of the fire tax is calculated. There are general expenditures from the Fire Department that are allowable under the fire tax (anything that is not personnel related.) After the allowable expenses are calculated out for the Fire Department, anything that is left over then becomes an allowance for capital expenditures for the Fire Department. The \$258,523.32 in the Fire Tax budget is what is budgeted for the Fire Department in 2010 that are not personnel related costs. The only expenditure included in the capital expenditures for the Fire Department for 2010 is the lease payment on the pumper. The overall capital budget will have to be reviewed before any other capital amount can be incorporated for 2010. She clarified the revenue and appropriation amounts in the fire tax budget. From the 2008 fire tax budget, there appears a deficit spending amount. This is because the Township purchased a pumper that year. Ms. Lapaglia said that it is our understanding that we cannot carry that deficit forward. Any shortfall is made up from the general fund.

The only other thing she changed, which was already discussed under the general fund budget, is the Fund Transfers. She incorporated those numbers into the revenue so that the Board can see the line items through the revenue side of the budget. The only change she made on the Administrative side of the budget is she incorporated \$25,000. We budgeted \$100,000 next year for engineering fees. But that \$100,000 was split across many departments. Baker already breaks down their bill in a very detailed manner.

Regarding tax collection, Ms. Lapaglia said that Ms. Creese had a meeting last week with the Act 32 tax collection committee. Initially, \$5,000 was budgeted for the setup of the Act 32 committee. That amount has been cut in half to \$2,500. This department has a double-digit increase because they are a smaller budget. There is \$15,000 in the budget for postage. This

year, when the new contract with signed with Keystone Collections, in order for them to do the collection of the delinquent earned income tax, they did not charge us a commission on that. So we did not budget any dollars for that commission. Unfortunately, we did not think ahead and take into consideration the associated postage expense and court costs for that collection which they billed back directly to us. We are budgeting that \$15,000 for next year in case the same thing happens. This is why there is a double-digit increase. Ms. Creese explained how the commission on the collection of delinquent earned income tax is paid to Keystone Collections. Mr. Eicher had questions regarding the compensation that is paid to the elected tax collector. Ms. Creese said that everything that is paid to the elected tax collector is outlined in the resolution that is approved by the Board of Supervisors and the Moon Area School Board prior to a candidate running for that elected office. Any changes that may be considered to the compensation package should have been done prior to that resolution being adopted.

Police Department:

Ms. Lapaglia said that the Police Department budget had the most changes. We have taken out the individual breakdowns for Sergeants, Lieutenants, and the Patrolmen/Special Units. We now have one line item for Salaries – Sworn Officers. The salaries for clerical and desk have also been changed. Fees for engineering have also been included in this department as well as the Fire Department. The shaded items in the budget handout are those areas that showed the greatest fluctuation. She did have a question on the DUI grant that will have to be clarified by Chief McCarthy. Mr. Eicher expressed concern that this department's budget increased by approximately 14 percent. Ms. Lapaglia said that she does not know where this budget can be cut. Ms. Creese said that while Chief McCarthy does manage his budget, there is a cushion built into it and there is no increase in personnel. She will discuss the budget further with Chief McCarthy. The Police Department contract is still under negotiation and may go to arbitration. A discussion ensued on the police budget. The Police Department budget is the biggest piece of the overall Township budget. Mr. Eicher said that he is raising his questions because he sees going from the actual 2009 cost to the 2010 cost, the increase is \$600,000. He does not believe that we can afford to do that. The question is what can Chief McCarthy do to give us the same quality of service. The biggest component of this budget is salaries. Mr. McLaughlin said that he does not see where the budget for salaries and benefits can be cut until we see what their salaries are going to be. Ms. Creese said that the discussion of health insurance has not even begun in the contract negotiations. The negotiations will go to arbitration. Mr. Eicher again stressed his concern about why this department's budget is increasing by 14 percent. He feels that there needs to be some solution.

Fire Department:

Ms. Lapaglia said that the only change in the Fire Department is the inclusion of engineering costs which is split with public safety. The accounts with an asterisk are those that are allowable under the fire tax. Mr. Eicher had questions about vehicle maintenance that Ms. Lapaglia and Ms. Creese addressed. Mr. McLaughlin asked about the increase in cleaning. Ms. Lapaglia said that she would check to see what is incorporated in that account but it probably could be decreased somewhat for next year.

Building Inspection/Code Enforcement:

Ms. Lapaglia said that she added \$15,000 in engineering fees here. It does not mean that we will spend \$15,000 in engineering. Mr. McGurk said that this expenditure will likely be a result of code enforcement, particularly for stormwater issues that the engineer will review. Mr. Eicher expressed concern about the increase in the budget of this department. Ms. Lapaglia said that minor equipment is up because the building inspector anticipates purchasing equipment for use

in the field. With that, telephone costs have also been increased because he will need some type of internet coverage for that equipment. Mr. McLaughlin asked if the building inspector could come before the Board at the next workshop to explain this equipment and its usage. Mr. Eicher asked about the increase in staff development. Ms. Lapaglia said that the building inspector does anticipate attending conferences next year. Ms. Creese said that the majority of the training of the employees in the Building Inspection Department is continuing education.

Planning:

Ms. Lapaglia said that this department's budget has gone down. The expenditures of the Zoning Hearing Board have been moved into this department. Mr. McGurk said that it was budgeted for two positions within the Planning Department. He does not see it being necessary at this time but would like it to remain on the table for the future.

Road Department:

A line item for engineering fees was added to the Road Department. Regarding the NPDES, Ms. Lapaglia said that we had not realized originally that there was \$15,000 budgeted for Phase II. It was moved out of the Planning Department budget and we are showing it as the \$31,000 year-to-complete number this year. Mr. Petroccia explained to us why it is \$31,000. We had to make up for the fact that nothing was done in 2008. Mr. McGurk explained that there was \$15,000 budgeted in 2008 but only \$40.50 of it was spent. Two years' worth of work was done this year. In addition to finishing the permit, which is due by the end of March, there is also a monitoring system that is implemented. Mr. McLaughlin asked if the Salaries account includes the additional staff person that has been requested. Ms. Creese said that it does. She just received a memo from John Scott containing this request that she will distribute to the Board on Wednesday. John Scott is also working on the memo that the Board requested with regard to signage. She will have that for the Board on Wednesday as well.

Parks Department:

Ms. Lapaglia said that she made no changes to the Parks Department. The fee for legal services is for the contract negotiations. Mr. Eicher pointed out that the Parks Department budget went from \$852,000 to \$925,000. This year, Moon Township's revenues are flat and he is not sure we are in a position to provide the same level of services. Ms. Lapaglia said that Dana Kasler has included in his budget the addition of one position but would like to fill it with two part-time employees, thereby eliminating the cost of benefits. The Parks office is only staffed with two people, yet programming is being increased. The Parks Department is proposing an Oktoberfest event in the park and it is hoped to have a person to help with this event as well as do fund-raising. The Board requested that Dana Kasler also attend the meeting on Wednesday to explain his requests.

Library:

Ms. Creese said that she and Ms. Lapaglia are meeting with the Library Board tomorrow. She will update the Board following that meeting. Mr. Eicher said that during his campaign, people have told him that the Library is a good asset. In his research, he has found that the Sewickley library is almost totally supported by the Quaker Valley School District, not the borough. He has no doubt that this community needs to support a library and there are ways to do it. The primary function of this taxing body is not a library. We give money to an independent organization that runs the library. The school district should support the library. A library is more a part of education than it is a part of police protection, roads or parks. The library board needs to make their plea to the school district for the additional \$25,000 they are requesting. There has to be a way that this community can say to keep this library going other than to pay for it out of the

general fund of the township. Ms. Creese said that as Mr. Eicher said, it is a very different structure from community to community; from library to library. A discussion ensued about library funding and fund-raising efforts. Mr. McLaughlin suggested that perhaps someone should make a presentation on this issue at the upcoming school board meeting in December.

Cable TV:

Ms. Lapaglia said that one of the biggest changes in the budget from last year to this year is in staff wages. Ms. Creese said that she would discuss this further with the Board in executive session. But the position of Communications Director resides in the line item for this department. This employee, however, services other departments. This expense is spread across all the departments. Mr. Eicher pointed out that this department is being increased by 20 percent. In an economy where our revenue is flat, we have a department that is being increased 20 percent. He asked if this is realistic and reasonable. The Board discussed those line items that were increased. Ms. Creese said that there are places in this department budget that can be cut. Equipment will be discussed during the capital budget discussion.

Debt Service:

Ms. Lapaglia said that the Township currently has two bonds. The debt service is for the interest payments.

Miscellaneous:

This is for the conference expense for Supervisors to attend training or conventions/conferences.

CAPITAL BUDGET:

Ms. Lapaglia said that she took everyone's requests and showed the balance at the beginning of the year, the appropriations and expenditures for 2009, what the ending balance would be for 2009. She then listed everyone's requested amount for 2010—some of which we have to have. The capital budget is broken down departmentally as the general fund budget.

Administration:

The only thing included is some money for the entrance to the municipal building. We have applied for an energy audit of the municipal building but it is not known if the entryway will be applicable. Ms. Creese said that she met with a mechanical engineer from Michael Baker and they will be proceeding with a buildings assessment survey. If the Board is serious about considering a bond issue in the first half of next year, things on the facilities list may be considered for inclusion in the bond issue and not the capital budget.

Police Department:

The Police Department is requesting three police vehicles in 2010—two vehicles will replace two police cars that are scheduled to come off the road in 2010 and one will replace a vehicle used by the Chief and Captain. The Police Department is also requesting a "recreational use" vehicle. This vehicle would be used for things such as July 4th, patrolling the Montour Trail or off-road search and rescue. We have the vehicle now through a grant from Kawasaki, which ends in March. The vehicle is already outfitted as a police vehicle. Also requested are funds for Mooncrest camera replacements, maintenance and upgrades. The department is requesting carpeting for the building and a radio system enhancement.

Fire Department:

Ms. Lapaglia said that the first item shown is the appropriations from the Local Services Tax fund. It is required by law that 25 percent of the Local Services Tax be set aside for public safety. We have put it toward the Fire Department because their trucks cost a lot of money. Based on the Local Services Tax budget, 25 percent of that would be \$162,500. The entire appropriation from the Fire Tax will be transferred into this budget public safety line item. The only thing requested by this department that is viewed as capital is new garage doors at the Boggs Fire Station. The cost estimate is \$3,700 per door and there are four doors.

Building Inspection/Code Enforcement:

Ms. Lapaglia said that the next capital item is the building inspection vehicle. The Building Inspector would like to allocate money on an annual basis for when it is necessary to replace that vehicle.

Planning & Zoning:

Mr. McGurk is requesting that we put money in for GIS software. The additional \$10,000 is for the comprehensive plan.

Road Department:

The funds for the dump truck is for a lease payment. She discussed with the Board the capital budget for rolling stock. After discussion the Board felt that we need a better replacement schedule for equipment. The last capital item for the Road Department is the road program. She put in the same amount. Mr. McLaughlin asked if we ever heard from the Municipal Authority Board with regard to their portion of the Mooncrest sidewalks payment. Ms. Creese said that she has never seen their final decision. She does, however, have the estimate for the remaining sidewalks. To do the pieces that remain will cost \$308,410. That is the total cost, not our cost.

Parks Department:

Dana Kasler provided a list of some things that need to be done for a total cost of \$131,000. Of this list of things, there is only one thing that is absolutely necessary which is the Jacobsen mower. Another thing that is absolutely necessary is the dump truck lease. Mr. Kasler included requests for basketball resurfacing and playlot resurfacing. She did not allocate any money for the basketball court resurfacing because there is already \$24,000 allocated to that particular item in the capital budget. Mr. Kasler is requesting \$40,000 for playground resurfacing.

Library:

If we continue to do what we have done with the Library, we actually gave them \$20,000 for the Challenge Grant. This means that they have to fund-raise.

Cable Television:

There are no capital requests for cable television for next year.

Local Services Tax and Liquid Fuels:

The local services tax is the \$52 tax that we collect from people working within the municipality. The only things that we can do with that money is grant property tax relief and we have to allocate 25 percent to capital projects for public safety. We do pay commission on the collection of the local services tax. We anticipate having approximately \$2 million from the local services tax at the end of 2010.

Regarding liquid fuels, this year we anticipate ending up with \$82,000 in the liquid fuels fund. As with all State things, they are decreasing the amount they are allocating for liquid fuels. Next year, with our liquid fuels and turnback money, we only anticipate receiving \$437,000. We pay primarily street lighting out of the liquid fuels money which is \$26,750 a month. Since 2008 we have also been paying for salt out of that money. Ms. Lapaglia discussed with the Board the Township's salt purchases and liquid fuels funds. With everything she presented regarding liquid fuels, Ms. Lapaglia said that it looks like at the end of 2010 there will be a deficit situation in our liquid fuels account. She consulted with Ms. Creese and they concluded that while there is a deficit in liquid fuels, we have \$2 million in our local services tax fund. They ask that the Board consider the possibility of either budgeting our road program or salt purchases out of the local services tax fund this year. This is permitted by law. After discussion, the Board had no problem with this change.

NEXT MEETING: November 18, 2009 at 7:00 p.m. preceded by an executive session at 6:30 p.m.

Respectfully submitted,

Janet L. Sieracki
Assistant Municipal Secretary