BUDGET REVIEW MINUTES

The 2010 Budget Review Meeting of the Moon Township Board of Supervisors was called to order at 5:15 p.m. Board of Supervisors present: Jim Vitale, Marvin Eicher and Andy Gribben. Also present: Jeanne Creese, Adam McGurk, Jeff Ziegler, Lisa Lapaglia, and Dana Kasler.

Ms. Lapaglia said that the first large handout she distributed to the Board is the capital budget. She analyzed the capital budget for the period 2003 to 2010. The handout shows what we have per line item allocation within each department's capital reserve budget. Department heads have been given a listing of their accounts to show what they have in their allocated capital reserve. The department heads have been asked to do an analysis of what they have and what has been expended that is still on the listing. Some of the line items may need to be re-allocated. She used the Parks Department as an example. We are doing the tennis court sealing but are basically out of bond issue money to pay for that. However, on the spreadsheet, under the Parks & Recreation Department, there is a line item allocation for tennis courts in the amount of $66,000. The tennis courts were done with bond issue funds; but there were not enough bond issue funds to complete the sealing. Therefore, we are going to ask to reallocate some of this money, but we want to do it conjunction with the bond issue. We want to look at what we, as a staff, think we need to do as far as the bond issue is concerned and what monies we currently have that can be allocated for some items that we do not have to put into the bond issue. The spreadsheet gives an idea of what money is there.

Ms. Lapaglia said that she has financial statements as of June 30 but the spreadsheet is as of July 31. She explained some of the discrepancies as a result of that, such as the funds for the Mooncrest sidewalk project from Columbia Gas. Ms. Lapaglia had some questions for Mr. Eicher with regard to the funds in the Road Department and what those funds were used for, in particular the funds for Ewing Road. After discussion, Ms. Lapaglia said that she would clarify this particular item with Jim Henkemeyer when he gets back from vacation. A discussion ensued on traffic and intersection improvements. Ms. Creese said that the goal for this budget season is a schedule that accompanies this budget and each line item is going to have a designation that will be far more descriptive than the purposes currently shown. So when the budget is adopted, the Board will also be adopting the purposes of these items or moving the money to some other project. Staff will be seeking direction from the Board on these projects in a more goal-oriented format. She will be distributing to the Board in the near future copies of previous goals and objectives that were established. The prior format may not work for us now, but it will give the Board a chance to see the prior goals and assist us in dealing with these questions. Our goal for this year is to try to get this capital schedule in order. Ms. Lapaglia said that we also want to work in conjunction with the possible bond issue. We want to make sure that we are not getting the bond for monies that we already have or could use for the same purpose.

Ms. Lapaglia said that we have had some expenditures in Administration because the Cherrington Building has cost us a lot of money this year. We have replaced two air conditioners and have installed security cameras. Partial payment of the security cameras is listed, but there is additional money that will be paid in August. We have, therefore, overspent as far as the Community Service Center is concerned for those specific purposes. Other than that, everything else is self-explanatory. As everyone is aware, one of the big ticket items as far as the bond issue is concerned is the Building Assessment Plan that was done by Michael Baker. At some point in time, we will have to take everyone's "wish list" and prioritize it. When we discuss the bond, we will be better able to provide more information.

Ms. Creese said that, given the market, we need to get started. We need to finish the decision on bond counsel. Ms. Lapaglia said that the financial statements that she gave the Board are through June 30, 2010. They are basically identical to what the Board has been given in the past. She hopes to soon have them in a different format that will be more useful. As far as revenues are concerned, we are up somewhat over last year. She attributes that to the collection of real estate taxes. The only thing that we are actually down in is interest earnings. Interest over the last few years has been hard to estimate as rates are down. We have $1.6 million invested through the PLGIT trust. She created six different investment opportunities through CD's that mature at different points in time throughout the next year. The reason she did so was, based historically on the last two year, we really haven't had to use that money for any operating costs. Our one CD is earning three percent interest. They are in equal amounts and come due at varying times of the year. In the general fund, the expenditures are relatively low. She would like to point out that the police expenditures are low based on budget and last year because we have not had the arbitration settled yet. We will have to retroactively pay the police officers whatever their increase is. The last time this happened, their increase was equivalent to 1½ paychecks. She is concerned that we will not have those numbers by the end of the year and have to budget for it. To her, nothing stood out as being exceptionally high or low.

We have broken out Mooncrest as an individual line item because Mooncrest used to be all over. She thinks it important to show what we actually spend on the Mooncrest facility. Ms. Creese said that a variety of departments provide services there. If we would ever have to provide the services in replacement of what the Felician Sisters are providing, we would have to know what that cost is. They have a higher per resident cost than other Township neighborhoods. There are a lot of grants that are written for that area. Right now, we have a hard time showing the matching costs.

Ms. Lapaglia said that under the Miscellaneous column, the Year-to-Date number is $9,934 but the budgeted amount is $6,500; last year we only spent $1,700. The reason for that is that there was an invoice for earned income tax collections that was not paid in 2009; it was paid this year. Mr. Eicher had some questions regarding how salary information is shown in the financial statements. He also questioned the capital budget information shown on the monthly check register. He felt it did not give enough detail on what accounts each of the amounts are taken from, particularly in the capital reserve budget. Ms. Lapaglia said that she agreed and that is something she is working on to try to address. Ms. Creese said that she agrees that the reports do not give enough information. She feels it is not in a format that lends itself to helping the Board understand the capital allocations and expenditures. Some of the projects listed may not mean anything to those on the Board and staff who do not have a history with the Township and the funds allocated to those goals over past years. That collective information needs to be on the schedule. We also need to get some better detail on what is being purchased. Both of these are goals in working on the budget. Ms. Lapaglia said that if and when we do a bond issue, we have to draw up a budget for that bond issue the same as we do for the general fund, capital reserve, etc. We need to specifically assign items to that budget as we go through that bond issue. It is good to say that we have a certain amount of dollars, but we need to know what we committed to a specific project. Ms. Creese said that the terminology is that those funds are "encumbered"; they are committed without being spent. We will create a way to show that. Some of the current projects were budgeted with a portion from the bond issue and a portion from capital reserve. It was spent from one or the other but didn't disappear from capital reserve. We are looking at reporting tools that will help clarify this. Ms. Lapaglia explained how the funds in the general fund and capital reserve fund are handled differently from the Liquid

Fuels fund and Local Services Tax. After discussion, Ms. Lapaglia said that as already stated, the reporting has to change. We are working toward that goal.

[Mr. Sinatra joined the meeting at 6:10 p.m.]

She said that there is no fund that really stands out as being exceptionally high or low. The general fund tends to deviate throughout the year but there is nothing out of the ordinary.

Ms. Creese said that she would like to get the Board's budget calendars so that the scheduling of the 2011 budget meetings can commence. For most of the year, Wednesdays at 5:15 p.m. seems to fit best with everyone's schedules. Mr. Sinatra said that 5:15 is too early and will not work for him; 6:00 would be better. Ms. Lapaglia said that we try to advertise all of the budget meetings at the same time. Ms. Creese will develop some potential dates for the Board's consideration.

The Board then went into executive session at 6:15 p.m.

WORKSHOP MINUTES

The Workshop Meeting of the Moon Township Board of Supervisors was called to order at 7:00 p.m. with the Pledge of Allegiance to the Flag, Vice Chairman Jim Vitale presiding. Supervisors present: Jim Vitale, Marvin Eicher, Frank Sinatra and Andy Gribben. Also present: Jeanne Creese, Adam McGurk, Jeff Ziegler, Lisa Lapaglia, Meghan McNamara, Michael Santicola, Garen Fedeles, Fred Wolfe, Mal Petroccia, Janet Thorne, Tom Arnold, and Kim Lawrence of The Pittsburgh Post-Gazette.

Mr. Vitale said that prior to this meeting, the Board met in executive session to discuss litigation matters.

Public Comments on Agenda Action Items:

(There were none.)

General Comments from the Public:

Tom Arnold of Crawford Drive said that is interested in hearing about Item No. 2 of the Solicitor's portion of the agenda and Item No. 3 of the Engineer's portion of the agenda.

Action Items:

Mr. Vitale called for a motion to approve Resolution No. R-17-2010 in opposition to forced mergers and consolidations of local governments in Pennsylvania. Motion made by Mr. Eicher, seconded by Mr. Sinatra. Mr. Sinatra asked exactly what this was for. Ms. Creese said that this is a request from the Pennsylvania State Association of Township Supervisors (PSATS) and the Allegheny County Association of Township Officials (ACATO) requesting support for opposition to H.B.2431 and S.B.1357 and other similar legislation that may be introduced in the Pennsylvania Legislature that would weaken the responsibilities of local government. These discussions are now being held in the House

and Senate to force consolidations and mergers of local government. There was information from the associations in the Board's packets for review. Most local governments do favor consolidation of services through COGs, etc. but do not favor forced consolidation or mergers. All Supervisors present voting yes, motion carried 4-0.

Mr. Vitale called for a motion to approve/deny the Beaver Grade Road / Montour Run Road Intersection evaluation study as submitted by Trans Associates on July 26, 2010. Motion to approve made by Mr. Sinatra, seconded by Mr. Gribben. Mr. Eicher asked if there has been any commitment on how long it would take to do it. Mr. McGurk said that the schedule is three weeks for Part A. Right now, the Board would just be authorizing Part A. The results would then be reviewed before we move on to Part B, which would expend more money. Mr. Sinatra asked if Trans Associates could come to a future meeting. Mr. McGurk said that he sent Trans Associates an email today to ask if they could attend this evening's meeting, but they were committed elsewhere. But they can be here next week before the Board's regular meeting. We do have a commitment from Robinson Township to split this cost through a joint account that we have. All Supervisors present voting yes, motion carried 4-0.

Mr. Vitale called for a motion authorizing the Township Administration to provide public comment opposing the proposed cuts in Port Authority transit service to include the elimination of bus service to Beaver Grade Road in Moon Township and other locations in the ACTA corridor. Motion made by Mr. Eicher, seconded by Mr. Gribben. Mr. Eicher asked what our opportunity is to provide comments. Ms. Creese said that there was a series of public hearings; but unfortunately the email notification arrived the same day as the public hearing. There are also ways to testify online and that period ends on August 31. We still have the opportunity to do that and Board members can do likewise. Obviously this is a longer process and part of the state funding cutbacks for the Port Authority. There is certainly the possibility that there will be additional public hearings. All Supervisors present voting yes, motion carried 4-0.

Discussion Items:

1. Environmental Advisory Council President Janet Thorne said that last month she sent a letter to the Board regarding the Emerald Ash Borer and what it is doing to the ash trees. She said that all of the ash trees will die as a result of this infestation. The Emerald Ash Borer has been found in Moon Park and Robin Hill Park. She showed an example of bark from trees that have been attacked by these bugs. The bark that she showed was from a tree in Robin Hill Park. There is not anything we can do about the death of the ash trees as they are all going to die anyway in the next few years. We need to think about what we are going to do about it and make a decision about whether we are just going to leave them, cut them and leave them laying or timber the trees. A tree has to be a certain diameter before it is determined to have timber value. She would suggest that we first need to know where the ash trees are. The advantage of timbering is to raise the funds to plant new trees. Ms. Thorne answered questions from the Board regarding this problem. She said that she is concerned about ash trees that are located near residences, power lines, etc. that could potentially fall and possibly harm the public or do other damage. Ms. Creese said that Lora Dombrowski is working with the EAC on their budget proposal to seek a cost of timbering and looking at this for the park. Mr. Sinatra suggested that information on this problem should be gotten out to the public. The Board felt that this was a good idea and that an announcement should be made at the regular

televised meeting to educate the public on this problem. Ms. Thorne thanked the Board and left the meeting.

2. Consideration of "Share the Road" Bicycle Signage – Mr. Lou Stempler said that he has been a Township resident for 19 years and is an avid bicyclist. He would like to request that "Share the Road" signs be placed on various roads throughout the Township. These signs will plant seeds of awareness of bicyclists sharing the road with motorists. He would be happy to provide a list of roads that, in his opinion, might be eligible for the Board's consideration of this safety measure. With bicycling gaining in popularity, we can be at the forefront of as a progressive example to the surrounding communities. The frequency does not have to be great. Mr. Eicher explained that in the Township we not only have Township roads but also have state roads. We could not put up signs on state roads without first obtaining permission from the state. But if Mr. Stempler would at least provide a list of possible roads that would be a starting point. Mr. Stempler said that he will be happy to provide a list of roads to Ms. Creese. Mr. Stempler thanked the Board and left the meeting.

3. Planning Department –

a. & b. Mr. McGurk said that the Sardello-Cherrington Plan of Lots and the Conti-Knouse Plan of Lots are both simple subdivisions that were submitted to the Township. They are not creating any new lots so they go straight to the Board of Supervisors for approval and do not require Planning Commission review. In the Sardello-Cherrington Plan, which is in Cherrington, the lot line is being modified so that the applicant can build a bigger house. In order to have the required 10-foot side yard setback, the applicant purchased some property from the adjoining property owner who has sufficient property to meet his side yard setback. For the Conti-Knouse Plan, which is in McCormick Farms on Johns Ridge Road, two adjoining neighbors bought a vacant lot between their homes and are splitting it down the middle and adding it to their lots.

c. Preliminary Major Land Development Plan for the PA Army National Guard – Mr. McGurk said that this is their maintenance facility for all their vehicles from Erie southward and from Johnstown west. The facility will be about 108,000 square feet with offices, classrooms, vehicle storage/painting areas and service and maintenance facilities. This plan was before the Planning Commission last evening. They do have a significant number of outstanding technical review comments from the engineer and the Township's review letter so this plan was tabled last evening. The Planning Commission will look at it again next month. It did not delay the project because they will be requesting some conditional use deviations on landscaping so they will have to go back before the Planning Commission anyway. They are permitted to have less landscaping because of our Airport Hazard Overlay Ordinance.

d. 2010 Comprehensive Plan Update – Mr. McGurk said that he presented a draft scope of work to the Planning Commission. They talked about a few items that will be discussed with the Board of Supervisors. They provided feedback last evening and he updated the scope today. It will be sent to the neighboring municipalities to get their comments. Hopefully the Planning Commission will make a recommendation to the Board of Supervisors at their next meeting at the

end of September. From there, the scope comes to the Board of Supervisors for their review. From that point, it is then sent out for proposals. We will hopefully have the consultant on board by the beginning of next year. Some of the items discussed by the Planning Commission are detailed in the monthly report.

Mr. McGurk said that the Sharon Road traffic-calming follow up meeting has been scheduled for September 15 at 6:00 p.m. A letter is being sent to all the property owners. The Board is welcome to attend so long as no deliberation is held. Trans Associates will be in attendance to provide an overview of the effect of the traffic-calming devices. Mr. Eicher suggested that it may be beneficial to have Chief McCarthy put out traffic counters prior to this meeting to show volumes and speeds.

4. 2010 Bond Issue/Bond Counsel – Ms. Creese said that this is a follow-up discussion on the 2010 bond issue and selection of bond counsel. Per the Board's request, we went back and reviewed the files. We could not locate anything in the 2006 bond issue file on how bond counsel was selected. But we did find a memo in the 2005 bond issue file summarizing information on the three proposals that were received at that time. They were in the range of the current RFP that we received. At that time, bond counsel was selected and then bond counsel made recommendations on the financial advisor that was subsequently selected. A copy of this memo was placed in the Board's packets. The current RFP was also sent to other firms that she would be happy to give the Board upon request. After discussion, the Board directed that a motion to select bond counsel be placed on next week's regular meeting agenda. The Township has also received several unsolicited proposals for financial advisor. We will deal with those in the same way.

5. Recommendation for change in dial tone provider – Ms. Creese said that there is information from One Communications in the Board's packets. This information was given to Chief Belgie who reviewed it and felt it was worthwhile. He had a series of meetings with them to make sure they could handle all of our lines. We are recommending a change to One Communications. Over the 36-month term of the contract, it will save the Township over $32,000. The Board had no problem with this change. A motion will be on the Board's regular meeting agenda.

6. Recommendation for change in postage meter provider – Ms. Creese said that our current contract is expiring and Ms. Lapaglia has done some research on providers. Ms. Lapaglia said that the Township currently has a contract with Pitney-Bowes for two postage meters, one in Administration and one in the Police Department. The Township was contacted by a company named NeoPost. Their postage meter is basically identical to the one we are currently using with Pitney-Bowes. Based on a comparison, the Township would save approximately $18,000 over the term of the lease. The postage machines would piggyback on the state contract. The Board had no problem with this change. A motion will be on the Board's regular meeting agenda.

7. Harvest Moon 10-mile / 5K Race, October 30, 2010 – Ms. Creese said the request was received today asking the Board to approve this annual event. A motion will be on the Board's regular meeting agenda.

Township Solicitor:

1. Ordinance Codification – Mr. Santicola said that he has received no new information on the codification since the last meeting. Ms. Creese said that she has not seen the update yet. We transmitted a few items to the codification company over the last month.

2. Moon First / Wal-Mart – Mr. Santicola said that Wal-Mart has filed an appeal to the land development plan that was voted on at the last public meeting. There were two types of hearings that were going on at that meeting—one was the conditional use, which was the public hearing, and one was on the overall land development plan. No one filed appeals to the conditional uses. He, as solicitor, will certify the record.

   Mr. Santicola said that there was a copy of a letter sent to his office and the office of school district solicitor Jack Cambest regarding the realty transfer tax. The letter from a downtown law office indicated that there a property transfer that took place. However, the property was inadvertently listed as being in Moon Township and the tax paid to Moon Township, but the property was actually located in South Park Township. Moon Township needs to refund the taxes in the amount of $550.00 that were received in error. A motion approving this action will be on the Board's regular meeting agenda.

Township Engineer:

1. Autumn Woods Landslide – Mr. Petroccia said that he talked to both the DEP and the developer's engineer. Both assured him that they have been working hard negotiating a consent order and the goal is to have that complete by September 1. The plans for the landslide remediation and stormwater management basin should be complete and available by September 14. He told them both that he hopes and expects that they will have some work done at the top of that landslide before winter or else there will be a mess at the bottom.

2. Cherrington Center Roof Replacement – Mr. Petroccia said that he apologized for the delay in getting the draft of the new bid documents to the Township. In this version, instead of it being just a roof replacement, it is also for replacing the ductwork in order to do a good roof replacement. As he got into this more with his HVAC people and contractors, the existing unit that is over the library is a 20-ton unit that is only operating one of two compressors so it is essentially operating as a 10-ton unit. The other unit has been removed because it hadn't been operating for the last five years and was a source of leaks in the library. As a result, we have no air going into the ductwork for the library. There are two alternates to the bid specifications—replacing the malfunctioning unit and replacing the unit that was removed. He asked the Board to please review the bid specification book as he would like to get it out to bid as soon as possible. The north roof replacement alternative is being dropped because there is probably $100,000 worth of work there. Mr. Sinatra asked Mr. Petroccia if he charges the Township for the printing of the specification books. Mr. Petroccia said that he does. Mr. Sinatra said that he would gladly take his copy on a disc. Mr. Petroccia said that he would be happy to provide it in that format as it would save time and money. Ms. Creese said that we always keep one hard copy of such documents on file as is required. Any Board member can come in and review the hard copy if they so choose. Ms. Creese asked Mr. Petroccia to provide a condensed summary and timetable of the project for the library. He said that he would be happy to do so.

3. Lamar Bus Stops – Mr. Petroccia said that he provided inspection reports of each of the Lamar locations, based on their descriptions of the locations. After he had done the inspections, they provided surveys of their locations. Some of the surveys did not hit exactly on their survey locations. The only difference that really makes is that in some places he says that there is a sight distance obstruction. But in their survey they have pulled their bus stop back far enough or they have pulled the car out far enough onto the roadway far enough so that they are showing it as not being a sight distance obstruction. Pulling it back is fine so long as they stay within the right-of-way, but they did not do so all of the time. But pulling the car out into the roadway is not acceptable. So there is that difference between what is on the surveys and what their inspectors found. He provided a one-page summary in the front of his report. They think there are issues with some of them and he recommends talking to Lamar Advertising about some of them. Mr. Vitale asked if some of the shelter locations would be adjusted accordingly if the Port Authority discontinues some of their service lines. Mr. McGurk said that when we met with them over the summer, we asked them if they had reviewed the locations based on the Port Authority's reduced service. They said yes; but additional service cuts have been announced and adjustments have not been made since that announcement. One beneficial thing is that a majority of these are actually school bus stops and not Port Authority bus stops. But he feels there will be a few that will be impacted by PAT's service cuts. Tom Arnold of Crawford Drive asked when it is expected to see any of these shelters constructed. Mr. McGurk said that we should see some of them built this fall.

4. Polo Club Stormwater Basin – Mr. Petroccia said that this matter has already been discussed.

Board Comments:

Mr. Sinatra asked if anything is going to be done about slippery pavement on the "S" curves on Beaver Grade Road by Moon Golf Club. Ms. Creese said that we reported that to PennDOT. They went to the site to evaluate it. As the PennDOT representatives were there looking at the site, they watched cars going off the road and agreed there was a problem. They are looking for a way to resolve the problem. Mr. Sinatra and Mr. Petroccia asked for copies of this correspondence. Ms. Creese said that she would get them copies.

There being no further business before the Board, the meeting adjourned at 8:35 p.m.

Respectfully submitted,

Janet L. Sieracki
Assistant Municipal Secretary