

MINUTES

The Workshop/Preliminary Budget Adoption 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, Chairman Tim McLaughlin presiding. Supervisors present: Tim McLaughlin, Jim Vitale, Frank Sinatra, Craig Swen and Marvin Eicher. Also present: Jeanne Creese, Adam McGurk, Lisa Lapaglia, Sarah Welch, Dave Meinert, Jim Henkemeyer, John Scott, Dana Kasler, Police Chief Leo McCarthy, Capt. Greg Seamon, Maria Joseph, John Shaver, Mike Santicola, Colleen Kartychak and Mal Petroccia.

Public Comments on Agenda Action Items:

(There were none.)

General Comments from the Public:

(There were none.)

Action Item:

Mr. McLaughlin called for a motion to award the Bertley Ridge Drive/Beaver Grade Road Sidewalk and Handicap Ramp Project to USA Concrete Specialists, Inc. in the amount of \$18,775.75 as recommended by the Township Engineer in his letter dated November 11, 2009. Motion made by Mr. Vitale, seconded by Mr. Swen. All Supervisors voting yes, motion carried. Mr. Vitale asked when the contractor will be starting work and if there has been any further discussion regarding the fence. Mr. Petroccia said that the contractor hopes to start this week or next. Mr. McGurk said that the property owner's attorney called the Township and they gave us a proposal to remove the fence and relocate it. He, personally, does not think that is a very good idea and would not recommend doing so. Mr. Petroccia said that if the property owner does not remove the fence, in the contract there is a line item for the contractor to remove the fence and stack it in the yard. The Township is not responsible for re-installing the fence. Ms. Creese said that the property owner submitted a quote for \$4,621 not only requesting that we remove but also relocate the fence. The staff's opinion is that we have no requirement to relocate the fence.

Township Management:

Planning items:

Mr. McGurk said that regarding items (a) and (b), bond reductions, Baker has prepared inspection reports and recommendations. Both of these bond reductions will be on the Board's December 2 regular meeting agenda for their consideration.

Mr. McGurk said that the Township received a letter from PennDOT. They are going to repave Business Route 60 (which is now the I-376 Business Loop) from the Ewing Interchange to International Drive. They are requesting approval to do evening and weekend work. This waiver has to go before the Board of Supervisors. The request will be on the Board's December 2 regular meeting agenda for consideration. The work will take place in the spring and summer of 2010.

Regarding the DiVito Plan of Lots, Mr. McGurk said that this subdivision was before the Planning Commission at their meeting last evening. It is located on Maple Street Extension near the intersection of Coraopolis Heights Road. They are taking one lot of two acres and dividing it into two lots. This plan will be on the Board's December 2 meeting agenda.

2010 budget:

Ms. Creese said that per the budget meetings to date, she and Ms. Lapaglia met with department heads to make the changes (to the extent that they could) as outlined by the Board at the prior budget meetings. Those changes have been made to the preliminary budget before the Board at this time and explained further in the accompanying memo. Per the Board's request, the Township department heads have been assembled for this evening's meeting to answer any questions on their budget from the Board. Following the presentations, obviously there may be some places where we need to make a change before the preliminary budget is adopted. If that is the case, Ms. Lapaglia will make those changes and that will be the final version of the preliminary budget. Ms. Lapaglia highlighted the changes that have been made in the general fund since the last budget meeting. Regarding tax collection, after comparing the previous resolution to the current resolution, there was a change made in how we are paying the tax collector which she explained and discussed with the Board.

Police Department—Ms. Lapaglia said that, as discussed, she adjusted the classification of the salary accounts, reflecting a slight decrease in the salary accounts. There is a slight decrease in the amount for gasoline. One of the line items that was questioned at the last budget meeting was the IT line item. She increased that line item's year-to-complete number by \$10,000 from the previous number. She was unaware that there was a new server being installed in the department. Chief McCarthy gave an explanation of the computerization of his department and its maintenance/replacement needs. Mr. Eicher said that he would like to make the following comment to everyone. If you look at the projected revenue from 2009 to 2010, it is relatively flat. But in looking at the Police Department we are looking at a \$500,000 increase in expenditures for the same level of police protection. He is asking the same question of everyone. In a time when the economy is relatively flat as well as the Township's revenue from earned income tax, how can we explain to the residents that it will cost them \$500,000 more for police protection. Chief McCarthy said that, as the Board knows, he is always bringing his department in under budget. However, they do have this huge unknown variable hanging above them in the form of the police contract. But if cuts have to be made, they will work within the parameters they are given to provide the best possible police protection. He has not asked for an increase in the size of the police department. He is hopeful that the Board will consider a replacement for the officer they are losing due to retirement. Chief McCarthy detailed the staffing in the police department and what they are doing to control costs. He cited some of Moon Township's crime statistics.

Ms. Creese said that on behalf of herself and the department heads, they took the Board's questions and concerns very seriously. We understand that the Board, as well as the staff, often get questioned by the residents. She, Ms. Lapaglia and every department head went through the exercise as requested by the Board. They went through their budgets, line item by line item, to evaluate what can get cut. Some things did get cut. But it got to the point where we would be cutting services or safety items.

Fire Department—Ms. Lapaglia said that one of the questions that arose was the telephone expense. She looked at the telephone usage for the current year. There are four fire stations that have telephone service. That service can be reevaluated in moving forward. There were no other significant changes in the Fire Department.

Building Inspection—Ms. Lapaglia said that one of the things that was questioned was minor equipment. After a discussion with Building Inspector Dave Meinert, he advised that he will hold off on the purchase of the hand-held computer equipment next year. Hopefully, the economic situation will improve the following year and that equipment can be incorporated into the budget. The telephone cost has also been reduced as a result. Staff Development was decreased somewhat. However, there is training that is required by the State for stormwater management. There are conferences that Dave Meinert and Lora Dombrowski need to attend. Mr. Eicher asked about the cost for legal services. Mr. McGurk explained that if another code enforcement issue should arise such as the Polo Club, the issue would be taken to the solicitor for handling.

Planning Department—There are no changes in the Planning Department budget.

Road Department—Ms. Lapaglia said that at the last budget meeting, we talked about incorporating the hiring of one individual. After discussion with Jim Henkemeyer and John Scott, they requested two individuals. One of those individuals can be used differently and the cost can be delayed until later in the year. Ms. Creese said that a formal written request from the Public Works Department is included in the Board's packets for an addition to the workforce. It includes the hiring of the current seasonal employee on a full-time basis and a request for an additional employee to start next spring. Mr. Henkemeyer said that there are two employees in his department that are eligible for retirement at any time, although neither has indicated their intention to retire. He would like to have an employee already trained and ready to step in. The addition of more roads and housing plans necessitates the additional employees. Mr. Eicher said that the Road Department budget is \$100,000 more than budgeted last year and \$150,000 more than we will spend this year. If we add this to the police department, we are now \$650,000 more than last year. It has to come from somewhere. It will probably end up coming from capital projects. Obviously, we have to maintain the roads. Mr. Henkemeyer said that the roads will still get done; it just may take longer. In the summer, grass cutting is an every day job. Mr. Scott and Mr. Henkemeyer discuss with the Board all the tasks done by the Road Department employees. The Board asked if the department could get by with the hiring of only one additional person. Ms. Lapaglia said that we could add the one additional full-time person and add a seasonal employee in the spring and reevaluate the economy and our finances at that time. Ms. Creese said that the other area of Public Works that the Board inquired about was sign-making. There is a memo in the Board's packets from John Scott regarding the department's sign-making capability and costs. Mr. Scott said that there are over 500 streets in the Township. Some of these streets will require two signs. So we need to take care of our own streets before we can even consider offering this service to other municipalities as suggested by the Board. We may want to revisit that idea once all the Township's needs are addressed and streets are finished.

Parks Department—Ms. Lapaglia said that one of the biggest concerns that the Board expressed in this department is wages. Mr. Kasler said that he provided the Board with a memo in their packets explaining his budgetary requests. His requests are based on 2008, which was the last time the Parks Department was fully staffed. At that time, there were

three full-time employees. For 2010, he is recommending hiring two part-time programmers who would handle the activities staff. They would work approximately 20 hours per week, four weeks of the year, and less hours during off-peak times as needed. They would also be involved in special events and fund-raising. Mr. Kasler said that he offers all of our classes at a 120 percent return rate. Ms. Creese said that these types of jobs work well with job-sharing. Mr. Eicher said that again it is \$75,000 more and an eight percent increase to provide park programming. Mr. Kasler said that the biggest increase is in health insurance and part of our labor agreement. Ms. Creese said that the Board is going to be hard pressed to find any of these departments where the biggest cost isn't in personnel. The Township is a service provider and the people that provide those services are your employees. So the majority of your costs are labor and benefits. That is not going to change in any year and in any budget. Mr. Eicher said that he believes more could have been done in this department.

Library—Ms. Lapaglia said that she made no changes in the Library. Ms. Creese said that she and Ms. Lapaglia met with the Library Director and board member on Tuesday morning. We asked them the same information as the other departments to discuss if they had any areas where they could make reductions. The Library advised us that they could not do that without seriously impacting their operations. Mr. Eicher asked if the Library got any feedback from the school district. Ms. Joseph said that she was informed by a school board member at their fund-raising event that it was not going to happen. They are asking for an additional \$25,000 to make up for funding from the State that they lost. They did stress that they continue to do fund-raising. Mr. Shaver said they feel strongly that the building needs to be kept up because more people come in and out of that facility than any other Township facility. Mr. McLaughlin said that the Board is aware of the building issues and the Public Works Department has been working hard to address those building issues.

Cable Television—Ms. Lapaglia said that there has been a decrease in the volunteer supplies, which Sarah Welch would like to talk about so far as MCA-TV's 25th anniversary is concerned. On behalf of MCA-TV, Ms. Welch said that in recognition of MCA-TV's 25th anniversary, the station would like to host a celebration for the volunteers. A reduction in the budget would severely hinder that event. She gave details of the plans for the event. Ms. Welch said that this department generates its own revenue in the form of franchise fees from both Comcast and Verizon. They also receive funds from being a PEG channel and other projects. Ms. Lapaglia said that we did decrease the video supplies line item and equipment costs by half. We also decreased the vehicle mileage and staff development. Wages, again, are the biggest sticking point.

Debt Service—Ms. Lapaglia said that the Township has two bond issues and this is the interest on those bond issues. We do receive some revenue from the golf course toward payment of one of the bond issues.

Miscellaneous—This is used for training and conference expenses for the Board of Supervisors should any Board member choose participate in a conference or convention during the year or other related expenses.

CAPITAL BUDGET:

Ms. Lapaglia said that on Monday when we met, she listed all of the capital items that every department head asked for. The capital budget in the handout shows two additional columns—the allocation column and appropriation column. She explained the differences in the two columns. We discussed the possibility of another bond issue next year. The municipal building entrance is shown for inclusion as a possible bond issue item along with the next phase of the park.

Police Department—The allocation includes three police cars, the RUV vehicle and radios. She is recommending that the funds for the Mooncrest building renovations be used for the grounding of the Mooncrest surveillance cameras so that no funds need to be appropriated for that purpose.

Fire Department—Ms. Lapaglia said that those amounts shown as negatives are the appropriations for the local services tax and the transfers of revenues from the fire tax. The allocated amount is for the pumper lease. The other allocation is for the four garage doors. We do have funds in the building maintenance account for Boggs so she is indicating that we allocate \$5,000 and appropriate the entire amount to replace all four doors.

Building Inspection/Code Enforcement—We would like to put in some savings for the future purchase of a vehicle.

Planning Department—We will be allocating \$2,500 for permitting software and \$10,000 for the comprehensive plan.

Road Department—The first item shown is \$44,000. Ms. Lapaglia said that we do not have to allocate any money from that \$44,000 because we actually allocated money last year for the purchase of the vehicles. This is a lease that we have to pay but the money is already in the capital reserve account because we transferred the money last year. We do not have to allocate any additional funds. She explained the other equipment needs for this department and what could be included in a possible future bond issue. The only thing that Jim Henkemeyer informed us that is necessary this year is a pick-up truck. The next item is \$23,159 for the Allegheny County Airport Authority lease payment for the Stevenson Mill Road garage. There is a fuel storage line item that contains some funds. We have a real issue with our gas pumps. We need to get the pumps under cover. The last item under the Road Department is the Road Program. We are allocating the same amount as last year.

Parks Department—Ms. Lapaglia said that some of the requested items include a tinting film for the windows of the carriage house at Robin Hill Park. There is money in that account so we are not asking to allocate any money for that project. Under the Robin Hill General account, there is a request for tables and chairs and lights for the courtyard. There is money available for those requests. Two pick-up trucks were leased for the Parks Department. This is a required lease cost. Mr. Kasler has asked for a mower for this upcoming season. Money was transferred last year and there is some money in the rolling stock total that can be used toward the purchase of a mower. There is a second mower replacement that is moving forward and we want to try to put money away for that particular mower for purchase in 2010. We have discussed a utility vehicle that could be

included in a bond issue. Under the Neighborhood Playlots line item, with the possible second phase of the Moon Park project, resurfacing of the playground is included here. This also can be included in the possible bond issue. The neighborhood playlots are also suffering from age.

Library—We are again allocating money for the challenge grant.

Cable Television—This department is not asking for any capital items.

The allocated amount of money being requested from the general fund is \$1,123,735.95 for capital project. There are also some additional items that are not on the capital list. As the Board is aware, we still have a situation with the Carnot building. This also could be a part of the bond issue. We may also want to allocate some funds for record retention. In moving forward, we may want to begin the process of digitizing our records. This would be a multiple year project. The library roof is an issue. We have also been having issues with boilers and heat.

Ms. Lapaglia said that the fire tax is derived from .2 mills of the real estate tax that offset any expenses from the Fire Department that are not personnel related. Any funds left over would go to the Fire Department capital items.

The only change in the local services tax is that we did incorporate the salt purchases into the local services tax rather than liquid fuels.

The last item we have is the liquid fuels fund that we receive from the State. By removing the salt purchases will help us with our carry forward and allow us to pay for the street lights. This is the only thing being allocated from the liquid fuels fund. On the summary page, with the capital reserve transfer and the operating expenses for the general fund (which incorporates some of the inter-fund transfers from local services tax and liquid fuels), we are looking at cutting into our carry-forward by \$507,000. Mr. Eicher said that this indicates that we are spending \$500,000 more than we are taking in. Ms. Lapaglia said yes and no. As far as operating expenses are concerned, we are actually bringing in \$600,000. With the capital allocations that we are requesting, we are simply redistributing that money. If we did no capital projects whatsoever, we would anticipate making \$600,000. We are only cutting into the capital reserve by about \$110,000.

Public/Board Comments:

Mr. Vitale said that the economy is so out of whack now. There is less funding and it is a trickle down effect. We just have to find the revenue and make some cuts that we don't want to make. Ms. Creese said that she would like to be able to give the Board some feedback from residents about what they would like to see cut. However, those are not the calls that we are getting. The calls she is getting are for increased services. We do not have a clear direction of what people would like to see less of. Mr. McLaughlin said that he has not heard from anyone to cut either.

Mr. Sinatra said that he, too, has not heard from residents to cut. But he will refer back to last year when he suggested the possibility of a bond issue in order to get the things we need in this Township. Residents do not seem to care about trucks, etc. But they do care about a community center and how we are doing the park. The community is able to

accept these smaller purchases a lot easier. He never hears people say to cut services. He does hear people express their desire for a community center and/or pool and their willingness to pay more to have one. These are the things people want to see. Ms. Creese said that these are the big-ticket items.

Mr. McLaughlin said that he knows that the staff does not misspend money. He knows that the staff all put in extra hours. He speaks for himself and a lot of the residents he knows when he says that he appreciates all the hard work done by the staff. He is aware that it is a rough year for all of us.

Mr. Swen said that if we ran six years at this pace, we would be bankrupt. Each year you set a budget and that is the course you follow. We have to operate with tremendous responsibility when we pass a budget, not because of the effect of a one-time impact but there is a ripple effect that can impact this Township. We have to be careful how we manage during the tough times so you have something to manage in the future. This is critical during times like this. It can spiral out of control if we continue to patch a deficit of \$500,000. Ms. Lapaglia said that when the budget was passed last year, the carry-forward was going to be cut into by \$888,000. Through the hard work of these department heads, they have done a wonderful job staying under their budget. Even though we plan on cutting into our carry forward by \$500,000 we will still have more of a carry forward than we did last year. Ms. Creese said that the Board has made the assumption that they want to move forward with the same tax rate. We certainly do not want to ever propose to you to raise taxes. We try to avoid that at all costs. Mr. Eicher said that for a community that continues to grow, if Moon Township lives within its means, we should be able to keep the tax level where it is for the next 20 years or so and live on the growth. This is a bad year. Ms. Creese said that Mr. Swen's analogy that if we continue on this pace, in six years we will be bankrupt assumes that wage tax will continually decline and she does not foresee that happening. As long as Moon Township continues with a growth rate that allows us to budget this way that is not something we need to deal with.

After discussion, Ms. Creese said that the question before the Board is that if they are not comfortable with this level of spending, then they have to direct the staff where they want us to cut—either at the operational level or the services the Township is bound to provide. Staff can make recommendations based on the way the Board wants us to do that. The Board has to establish those priorities. The budget before the Board is a budget that provides the same level of service as we have historically provided. Mr. McLaughlin said that he is sure that not one resident wants us to cut police protection. And we do not know what will happen with the police contract. Mr. Eicher said that we still need to consider the impact of the earned income tax collected by the school district that is owed to other municipalities. The school district said that exposure could be as much as \$1 million. Ms. Lapaglia said that she finds it difficult to believe that Al Bennett of the school district has no handle on that and that he cannot tell us or his board how much they collected and where it needs to go. He needs to justify that number.

Mr. Vitale asked if every department could go down 4 percent, that may be the way to go. Ms. Creese said that if the Board does not adopt the preliminary budget this evening, the December budget adoption meeting will have to be pushed back. Mr. McLaughlin asked if the Board could recess into executive session for a brief discussion. Ms. Creese said that the Board cannot discuss the budget in executive session. Mr. McLaughlin said that he understands that; he would like to talk about the personnel budget. Motion to go into

executive session made by Mr. Vitale, seconded by Mr. Swen. All Supervisors voting yes, motion carried. The Board went into executive session at 9:30 p.m.

The Board returned from executive session into open session at 9:45 p.m. Motion to adjourn the executive session made by Mr. Vitale, seconded by Mr. Swen. All Supervisors voting yes, motion carried.

Mr. McLaughlin said that the Board went back to the drawing board. They would like Administration and Township departments to take four percent off the budget. A meeting will be scheduled for Monday, November 23, at 5:30 p.m. for adoption of the preliminary budget. The final budget adoption meeting will be postponed until December 16, 2009.

Reorganization: Ms. Creese reminded the Board that the Reorganization Meeting is scheduled for Monday, January 4, 2010 at 7:00 p.m. The newly elected officials will be sworn in at that time. A draft of the agenda was sent to the Board in their last packet.

Resolution for document destruction: Ms. Creese said that a resolution will be on the Board's upcoming regular meeting agenda. It is being done in accordance with the Township's adopted plan and the State's Historical and Museum Commission guidelines.

TOWNSHIP SOLICITOR:

Codification: Ms. Creese said that we sent our responses to the codification company following their last inquiry. They have everything they need from us and are assembling the document.

Moon First/Wal-Mart: Mr. Santicola said that the only thing he received on Moon First/Wal-Mart is a letter from Attorney Ernsberger. For some reason, she did not have copies of the recent traffic studies which he will send to her.

Creative Concrete: Mr. Santicola said that he did forward the most recent reports from the landscape architect and went about getting the actual costs that he believes would be associated with bringing the salt storage issue to a close. He did communicate to the lawyer for Creative Concrete that there are unresolved issues with the payroll. The lawyer is indicating that he believes that is a petty issue and he has provided payroll data. A discussion ensued on the outstanding issues/amounts of this contract. Ms. Creese said that we have no prevailing wage or additional documentation to act on the motion approved by the Board of Supervisors at their regular meeting in October, which had no amount specified in it. Mr. Santicola said that the October motion would just die. The Board can make another motion if they want to. Ms. Creese said that she does not know if the Board needs to make another motion. She just wants to make sure that it is in the minutes. We are not acting on something that the Board authorized be done because we cannot find anything to act on.

Mr. Santicola said that he wanted to touch upon the subject of the copier lease. A discussion by the Board ensued on the lease of the copiers for the Township offices. Mr. Santicola said that, per his email, the Board went ahead and awarded a contract at the budget meeting. He looked at the wording in the advertising for that budget meeting. He cautioned the staff on the wording of advertisements for special meetings in conducting other business. He feels that the wording should specify "and conduct any other general business." By doing so would eliminate any questions as to whether or not the contract was awarded at a properly advertised public meeting. Mr. McLaughlin said that the contract as recommended by the staff was awarded at the

November 10 budget meeting. Ms. Creese asked Mr. Santicola if he reviewed the leases and the copier documents, including the quotes. Mr. Santicola said that all he received was what was given to him at the first meeting. This is the first he has seen the documentation that was given to him tonight. Ms. Creese pointed out that it was in the packet that was distributed in October. Mr. Santicola said that it wasn't in his packet. Ms. Creese said that Mr. Santicola billed us for it. All the necessary documents are contained in the bids that were secured from ComDoc and Ford Business Machines in addition to the Costars information. Mr. Santicola said that none of that information was in his packet. A discussion ensued on the documentation pertaining to the copier lease. After the discussion, his only comment is to be careful in the wording of public advertisements of special meetings where other Township business could be discussed and potentially acted upon.

TOWNSHIP ENGINEER:

Olson Park—Mr. Petroccia said that the contract work has been done for quite a while. We are holding a last check for retainage because the contractor hasn't submitted two payroll certifications and the original of his maintenance bond. Mr. Petroccia said that he will follow up on that matter.

Moon Park—Mr. Petroccia said that contractor for Moon Park continues to make progress. The wearing course is down on the tennis courts. They put the poles up around the tennis courts. Some modifications were made to the asphalt sidewalk that goes between the tennis courts. They are building the parking lot as it was designed. They are setting the curb for the parking lot.

2209 Road Program—Mr. Petroccia said that the 2009 Road Program was completed. The last pay application came in last yesterday. After review, it will be ready for the next Board of Supervisors meeting.

Autumn Woods Landslide Progress Report—Mr. Petroccia said that he has nothing new to report. The last time he spoke with Jim Chickini, he reminded him of our request to grade the top of the hill, since that is within his permit area. Mr. Chickini reminded Mr. Petroccia that the Pennsylvania DEP is not making any progress and he did not want to do anything to upset the negotiations with the DEP. Mr. McGurk said that Mr. Chickini called the Township office and said that he delivered a deposit and contract today to purchase the property below his site with the closing scheduled for December 3 or 4. The DEP is not budging on the wetlands issue.

Mooncrest Sidewalk Replacement Project—Mr. Petroccia said that this project has been going well. He prepared a revised map which he showed to the Board. Since the Municipal Authority is still working on Hemlock Drive, the contractor will move to the Bertley Ridge sidewalk replacement project and then come back up to do Hemlock Drive. The Municipal Authority is close to being finished.

Bertley Ridge Sidewalk/Safe Schools Grant Sidewalk—Mr. Petroccia said that he hopes to have all the necessary forms prepared next week for the Board's review and signature. It will be for the sidewalk from McCormick School to the Hunter's Run intersection and Hassam Road to Brooks School. Mr. McGurk said that the school district sent PennDOT a letter authorizing the Township to be the project's sponsor of the grant. He needs to send PennDOT a letter accepting that authorization.

Cherrington Community Center Roof and HVAC Replacement—Ms. Creese said that the Township is getting quotes for this project now. Mr. Petroccia said that there is one piece of equipment that we hope to get in before winter. Regarding the roof, the question is whether or not the Township has the capital funds for the roof replacement next year. The installation of the new piece of equipment will stop another leak but the building needs a roof replacement.

Township Facilities Survey—Mr. Petroccia said that he met with Ms. Creese who gave him additional information and his Buildings Group drafted a new letter. The scope of work and cost estimate to do the building assessment is about \$23,000. This will give the Board a prioritized list of what needs to be done to the Township buildings.

Comments/questions from the Board:

Mr. McLaughlin asked the timeframe for the Bertley Ridge sidewalk project. Mr. Petroccia said that the contractor would like to start next week.

Mr. Eicher asked about the estimated cost of construction for the cell tower and the associated bond amount. Mr. McGurk said that the Township never requires a developer to bond the construction of a structure, only the site work

There being no further business before the Board, the meeting adjourned at 10:35 p.m.

Respectfully submitted,

Janet L. Sieracki
Assistant Municipal Secretary