

BOROUGH OF WHITEHALL

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BOROUGH OF WHITEHALL

Budget Meeting November 9, 2019

The Council of the Borough of Whitehall met at the Borough Building, 100 Borough Park Drive, Pittsburgh, Pennsylvania, Saturday, November 9, 2019, at 9:00 AM, for a budget meeting. President Veith called the meeting to order, followed by the Pledge of Allegiance.

ROLL CALL:

Present: Kathleen N. DePuy
Philip J. Lahr (Arrived 9:03 AM)
Robert J. McKown
Glenn P. Nagy
William J. Veith
John A. Wotus
James F. Nowalk, Mayor

Absent: Linda J. Book

STAFF: James E. Leventry, Manager
Vincent G. Yevins, Finance Director
Courtney M. Wertz, Assistant Manager
Eric Harris, Public Works Supervisor
Keith P. Henderson, Chief of Police
Jason C. Gagorik, Deputy Chief of Police

LIBRARY:

2019 Budget - \$384,000.00
2020 Proposed Budget - \$384,000.00

President Book recognized Paula Kelly, Director of the Whitehall Public Library. Members of the Library Board were also present. Members of Council received copies of the Library's 2020 Budget Narrative. The Library requested a 1.5% increase in funding for 2020. The state has elected to increase the annual Library subsidy by 9%, representing a \$4,000 increase. RAD funding is also anticipated to increase by \$3,000 next year. Revenue for both fundraising and donation line items has increased due to the success of the Love Your Library campaign in which funds are matched by the Jack Buncher Foundation. The Friends of the Library have also increased their annual appeal. The Library requested a number of facility-related upgrades that Council will consider.

PUBLIC WORKS:

2019 Budget - \$1,777,512.00

2020 Proposed Budget - \$1,948,833.00

Mr. Harris reviewed the budget line items. Public Works employees continue to utilize their array of skills to provide inhouse labor for various projects and save the Borough quite a bit of money. The salaries in this budget are contractual (3 percent increase for 2020). The line item – Vehicle Equipment Maintenance – was overbudget in 2019 due to the backhoe needing a new transmission. The line item – Vehicle Replacement – increased to \$222,881.00 as Mr. Harris is asking to replace 2 Diesel Dump Trucks. This number does not reflect trade in values of the current vehicles. New trucks would last the Borough at least 10 years. The line item – Salt Storage Facility – is budgeted at \$250,000.00 for 2020 as Mr. Yevins will not take money out of Liquid Fuels until next year for audit purposes. The line item – Street Resurfacing – was overbudget in 2019 due to the high bid received and the addition of two roads that border Baldwin Borough that were completed as part of their road program. It will be budgeted at \$800,000.00 in 2020. Public works will address some of the facility requests of the Library. Others will require large scale and expensive projects as the building itself is older and showing some wear. Under the Building and Grounds Budget, Mr. Harris is asking for funds to replace garage doors, openers and paint the exterior of the Public Works building. Mr. Harris estimates this work will cost \$12,535.00. The line item – Maintenance/Repairs – Interior will be increased to \$40,000.00. Under the Capital Projects Budget – Mr. Harris has estimated it will cost \$200,000.00 to convert the former salt bays at the Garage into usable space including adding electric, heat, a fire alarm system and ceiling.

REVENUE:

2019 Budget -\$11,087,953.00

2020 Proposed Budget - \$11,605,748.00

The revenue figures are historic for the most part.

The millage will be set in January to keep the Real Estate Tax Revenue at \$3.4 million.

Mr. Veith stated that former Councils of Whitehall had great foresight to place equal burden on wage earners and property owner in the Borough. It is a fair system that allows seniors to stay in their homes in Whitehall. The Borough collects more in Earned Income Tax than Real Estate Tax due to the implementation of a centralized collection system. It could also be attributed to higher wages or turnover in the Borough in which young wage earners are replacing seniors. The Borough received a windfall in Real Estate Transfer Tax when the Residence at Whitehall Building transferred ownership. New townhouses on the former Sisters of Saint Francis Property are slated to come online in 2020. The budget reflects conservative estimates. The line items – Cable TV Franchise Fee and Street Opening Permits – were down in 2019 and are projected to be low again in 2020. Revenue from Fines & Forfeits are steady. The line item – Interest – was significantly higher than budgeted as money was moved to PLIGT for a higher rate. In 2020,

Interest Revenue is projected to be lower as there will be less to invest as more money from the Fund Balance is spent. The line item - Radio Tower Rent – will be adjusted in 2021 with a new agreement. The line item – Recycling Performance Grant – saw a one time jump in 2019 as back years were paid to the Borough. It is budgeted at the usual \$5,500.00 in 2020. It was a bad year for the pool as tag sales were much lower in 2019. The line item – Recreation Program Fees was new for 2019 as the Borough took control of the Recreation Board funds. The line item – Worker’s Comp. Dividend – came in \$10,000 more than budgeted and the line item – Property Casualty Dividend – came in \$20,000 less than budgeted. Almost \$1 million will be transferred from the Fund Balance in 2019. The 2020 Budget is projected to use \$1,840,653.00 from the Fund Balance. This is a very large number. Council will need to watch their cash flow as \$2 million is needed every year to get through the First Quarter. There are some projects in 2020 that are not discretionary and will be need to be completed such as the landslide repair on McRoberts, the Police Building Roof and a new phone system.

ADMINISTRATION:

2019 Budget - \$640,233.00

2020 Proposed Budget - \$659,561.00

The projected 2019 administration budget will be \$28,000.00 under budget as less was spent on IT Services and Legal Services. The line item – Engineering Services – is lower as the fees have been spread across different budgets. Spending on Engineering has decreased since Mr. Rusmisl came on. Salaries include a 3% increase. Mr. McKown asked that the line item – Economic Development South – be increased to \$10,000.00 as the organization has reorganized and refocused. If projects can be done in Whitehall Borough, Council would like the funds to be available upon request. Mr. Nagy stated that project ideas can be given to EDS for consideration. The line item – SHACOG Admin Fees – increased to \$4,500.00 because of the increase in the RAD Tax. By law, a percentage of RAD fees have to be donated to a community organization and Council chose SHACOG years ago.

The remaining figures in this proposed budget are historic.

BUILDINGS & GROUNDS:

2019 Budget - \$244,574.00

2020 Proposed Budget - \$227,386.00

The department will be under budget again in 2019 mostly due to lower utility costs. Maintenance and Repair costs were significantly less than projected in 2019 also. The line item – Custodial Services – will be increased to \$60,000.00 in 2020 as the idea of hiring inhouse employees will be discussed in the hopes of receiving better service.

The remaining figures in this budget are historic.

FIRE PROTECTION:

2019 Budget - \$333,446.00
2020 Proposed Budget - \$352,903.00

The line item – MRTSA Assessment – will be budgeted at \$180,000.00 in 2020. The remaining figures in this budget are historic.

PLANNING & ZONING:

2019 Budget - \$1270,518.00
2020 Proposed Budget - \$267,530.00

The salaries include a 3% increase. Engineering fees were less than budgeted for 2019. In 2020 the line item will be budgeted at \$75,000.00 based on Gateway's numbers. The remaining figures in this budget are historic.

HEALTH & SANITATION:

2019 Budget - \$1,051,170.00
2020 Proposed Budget - \$1,097,480.00

These numbers are contractual. The line item – Refuse Collection – was overbudget in 2019 due to the purchase of extra trash totes for residents.

SWIMMING POOL:

2019 Budget - \$240,391.00
2020 Proposed Budget - \$256,412.00

The line item – Maintenance/Repairs – will be budgeted at \$45,000.00 for 2020. The line item – Furniture/Equipment – will be \$8,000.00 for 2020 as the lounge chairs get a lot of use and need replaced often. The swimming pool pulls in revenues of around \$70-75,000.00. It is an amenity provided to residents to attract more people to the community. Council elected to set aside \$50,000.00 annually to be prepared for when a major Capital Project is needed at the swimming pool. Council discussed combining the Parks Committee and Public Works Committee in 2020. Council authorized Mr. Yevins to adjust pool tag sale dates and times as he deemed necessary based on demand and staff.

RECREATION:

2019 Budget - \$118,198.00

2020 Proposed Budget - \$123,313.00

This department came in under budget in 2019 due to the accounting adjustments made after the Borough took over the finances for the Recreation Board. Salaries include a 3% increase. The line item – Recreation Board Program – increased to \$25,000.00 as all recreational programming is under one budget now. The line item – Summer Recreation Equipment & Supplies – came in significantly under budget. The remaining figures in this budget are historic.

NEW BUSINESS:

None.

ADJOURNMENT:

M-1 Mr. Wotus moved, seconded by Mr. McKown to adjourn the meeting. The motion carried unanimously. Mr. Veith adjourned the meeting at 11:40 AM.

READ AND APPROVED THIS DAY OF DECEMBER 4, 2019.

Manager