

BOROUGH OF WHITEHALL

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BOROUGH OF WHITEHALL

Budget Meeting November 14, 2020

The Council of the Borough of Whitehall met at the Borough Building, 100 Borough Park Drive, Pittsburgh, Pennsylvania, Saturday, November 14, 2020, at 9:00 AM, for a budget meeting. President Nagy called the meeting to order, followed by the Pledge of Allegiance.

ROLL CALL:

Present: Linda J. Book
Kathleen N. DePuy
Philip J. Lahr
Robert J. McKown
Glenn P. Nagy
William J. Veith
John A. Wotus
James F. Nowalk, Mayor (via phone)

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

WHITEHALL FIRE COMPANY PRESENTATION:

Rob McHugh, President and Mike Cecotti, Treasurer reviewed the Fire Company's recommendations in regards to equipment replacement and capital expenditures in the next 10 years. Specifically, Engine 2 should be considered for replacement in 2024 and replacement of Truck 301 (aerial ladder truck) should be planned for sooner than later as it is the most versatile and utilized the most. New Self-Contained Breathing Apparatus (SCBA) are needed as the current ones are from 2008 and recommended replacement for those devices is 15 years. Additionally, the roof at Station No. 2 needs replaced as it is 17 years old. Whitehall Fire Company intends to apply for FEMA grants to offset costs of any new equipment. FEMA grants require a 10% match. The most immediate need is new SBAs and a truck replacement. Operationally, the Department is sound. The Fund Drive did well and they actually had to turn down CARES Act money.

The transition to dispatching through County 911 is going well. Membership is at 24 members. The goal is to get membership up to mid-30s. The Borough allowing Fire Fighters that are Public Works employees to respond to calls during the day is helpful. The Department is grateful to Borough Council for their financial support so they can focus on operations.

PA AMERICAN WATER COMPANY PRESENTATION:

Dan Bickerton, Director of Business Development, presented Council with information regarding PA American Water's recent acquisitions of municipal sanitary sewer systems. The state legislature passed Act 12 in 2016 as an amendment to the PA Public Utility Code, allowing for Fair Market Value assessment to determine the value of a water or wastewater system. PA American Water recently bid on Brentwood Borough's sanitary sewer system and sees long term value in acquiring systems in this area. PA American Water believes it can find efficiencies and keep rates down over the next 15-20 years. Customers are protected by the PA PUC from drastic rate increases regardless of who owns the system.

The Borough would need to determine the procurement process needed to consider a sale. The Borough Manger, Solicitor and Engineer would meet to determine the process.

M-1 Mr. McKown moved, seconded by Ms. Book to being the process to potentially sell the Borough's sanitary sewer system. The motion carried unanimously.

The process will take approximately 2 years.

PUBLIC SAFETY:

2020 Budget - \$2,984,329.00

2021 Proposed Budget - \$3,088,930.00

The Department cut budget items where they could but General Expenses are still up for 2021 due to the need to replace 2 vehicles which require upgrading to new platforms. The line item – Capital Outlay – does not factor in the trade in values of current police vehicles, which average \$7,000.00. The new cars require less maintenance therefore the line item – Vehicle Materials and Supplies – decreased for 2021. The line item – Gasoline – decreased for 2021 to a number more in line with historical usage. The Department used less gas in 2020 due to reduced contact with the public due to COVID-19 but it is impossible to guess the price of gas for 2021. The line item – Tires – increased as the new vehicles require a different sized tire which are more expensive.

The line item – Community Relations – decreased as the School District will start paying the bills for the DARE program in 2021. Expenses for Computer Maintenance increased by \$6,000.00 due to the computer systems needed for the new body cameras that will become operational in March 2021.

The line item – Minor Equipment Purchase – was reduced for 2021. Newer equipment will be purchased under Capital Projects. Association Dues will increase by \$200.00 in 2021. The line item - Maintenance Agreements – decreased as the Department continues to take advantage of warranty periods and the new technology requires less repairs overall.

The line item – Traffic Signal Maintenance – increased significantly as Liquid Fuels monies will now be used exclusively for the Road Program for audit purposes. Previously Liquid Fuels monies were used to offset these costs.

The line items related to Overtime have increased for 2021 as the impacts of COVID-19 are still unknown. Court costs were down in 2020 because the courts were closed for a significant amount of time. Those cases will come due in 2021. The Department is doing virtual hearings when possible, keeping costs down in 2020. Community Relations Overtime was down in 2020 as there were no Caste Village fireworks or Hunter Safety Course. It will increase for 2021 as the Department would like to keep better track of how much Whitehall helps other communities. The Department is still waiting to hear if overtime related to civil unrest will be reimbursed by a grant.

EMERGENCY MANAGEMENT

2020 Budget - \$74,300.00

2021 Proposed Budget - \$76,800.00

The budget was increased by \$2,500.00 for 2021. The line item – Communications – increased as the Fire Company voluntarily transferred a radio license to the Office of Emergency Management. There is a \$6,000.00 reoccurring cost associated with this to pay Verizon. This project will see some costs in the Capital Project budget as Verizon is requiring analog lines to be upgraded to digital. The line item – Traffic Monitoring Fees – increased as the DA Camera System had an increase in costs. The line item – Emergency Management Training – increased slightly as the SHACOG CIRT team needs to replace equipment. The line item – Emergency Dispatch Contingency – could be lowered if Capital Projects related to the Dispatch Center are approved.

The remaining budget is historical.

CAPITAL PROJECTS - PUBLIC SAFETY

2020 Budget - \$684,132.00

2021 Proposed Budget - \$200,500.00

Heating, air conditioning and ventilation system has been installed at the indoor range. No projects should be needed here aside from lead removal maintenance every 10 years. The line item – In Car Cameras – is budgeted at \$20,000.00 for cameras that are compatible with the new vehicle platforms. These upgrades should last for 10+ years. The Department's Record Management System upgrade was successful and now other Departments are following the Borough's lead asking us for guidance. The final piece of the Department's 5-year plan is a new Dispatch Center. The project is budgeted at \$140,000.00. These projects will protect the Department against any potential future consolidation. The line item – Dispatch Improvements – is the one-time cost for Verizon to upgrade analog lines to digital.

The line item – Electronic Traffic Signs- is budgeted at \$11,000.00. The current signs have reached their end of life. They are very effective in the Borough.

Future plans for the Department include 2 retirements. Chief Henderson is retiring at the end of April. Ian Henderson will start the first Monday in May. A new Officer will need to be hired in 2021 as the Department is short staffed with an Officer on deployment. Sergeant Hudson will retire in early 2022. The Department will return to 4 Sergeants assuming the current Deputy Chief is promoted to Chief and a current Sergeant is promoted to Deputy Chief.

The Department continues to save money on training costs by hosting classes at the Whitehall Fire Company and the Borough Community Room. In 2020, the Borough received \$8,000.00 worth of training just for hosting classes. Facilitators like to come to Whitehall and that will continue in 2021.

The Department's Accreditation process was put on hold as the Department suffered staff shortages. The process is slated to begin in 2022 and will take about a year to complete. Once accredited, the Department will recertify every 3 years. This is a priority project.

ASSEST FORFEITURE FUND

2020 Budget – \$10,684.00

2021 Proposed Budget - \$0.00

This fund was established in 2018 to receive funds from the Department of Justice. The monies were used to purchase guns in 2020. The account will be kept open in case more monies are received from the Department of Justice.

INSURANCE & BENEFITS:

2020 Budget - \$2,355,753.00

2021 Proposed Budget - \$2,492,977.00

The Borough saw some savings in 2020 mainly because the Police Department was down 2-3 Officers and the Borough did not have to cover their medical insurance. Additionally, the Non-Uniform Insurance Plan did not realize the 5% increase that was originally projected for 2020. An estimated \$20,000.00 was saved for Worker's Compensation in 2020 and Unemployment Compensation saw savings of \$2,000.00 as there were minimal pool employees this summer.

Insurance costs have increased slightly for 2021. The budget assumes full staffing in 2021 and medical, dental and vision insurance for all employees is projected to cost \$770,000.00. That number includes the deductibles that the Borough pays for the Police Department. The line item - Police Pension Contribution – is based on the MMO and Actuarial Reports. It will increase \$190,000.00 to \$970,921.00 in 2021. Pension costs increase as salaries increase.

The cost of Police Medical Insurance will increase 17% for 2021.

LIQUID FUELS FUND:

2020 Budget - \$718,000.00

2021 Proposed Budget - \$500,000.00

Moving forward, this fund will be used exclusively for the Annual Road Program. The 2021 Road Program will be budgeted at \$500,000.00.

SANITARY SEWER FUND:

2020 Budget - \$5,584,568.00

2021 Proposed Budget - \$6,290,642.00

In 2020 the Borough reduced the Sanitary Sewer User Charge to keep the overall fee neutral while ALCOSAN raised their rates 7%. ALCOSAN will be raising their rates 7% for 2021. Revenue for 2020 is down similar to the Earned Income Tax. Previously, water shut off notices were used to collect revenue. In 2020, properties were liened instead. Delinquent Sewage fees collected in 2020 are projected to be \$70,000.00 as opposed to a budget of \$30,000.00.

The Fund Balance for the Sanitary Sewer account was \$4.5 million to start 2020. Projected use of that Fund Balance for 2020 is an estimated \$150,000.00, leaving roughly \$4.3 million to start 2021.

The largest line item in this budget is the ALCOSAN payment. ALCOSAN requires municipalities to budget 20% more than their estimated collections. It is an unrealistic number and the Borough has historically never spent the estimated amount.

The line item – O&M Engineering – was budgeted at \$1.2 million for 2020. Spending here has consistently been around \$1 million so a savings of \$200,000.00 was seen this year. The line items – Engineering -Other Sewer Projects and Construction-Other Sewer Projects – have consistently been overbudgeted. In 2020 the numbers came in significantly under budget.

In 2021, the line item – Sewer User Fees – is budgeted at \$4.3 million and reflects ALCOSAN's 7% rate increase. The Borough will keep its multiplier rate the same for 2021 as Revenues for 2021 are unknown.

Gateway Engineers has proposed an estimated \$2 million of projects for 2021 which are reflected in the Expenditures. The largest line items are Operations and Maintenance Plan and Capital Lining – which are estimated to be \$1.2 million and are historical numbers. The line item – Pleasant Hills Authority (Tank) – is budgeted at \$100,000.00. Emergency Sewer Projects are budgeted at \$50,000.00 as always.

Large ticket projects in 2021 include the Spring Valley Investigation at \$175,000.00 and the M-42 Grow Grant with engineering fees of \$80,000.00.

The Streets Run bid that was just opened this week will be split between the Sanitary and Storm Sewer Funds.

STORM SEWER FUND

2020 Budget: \$1,379,485.40

2021 Proposed Budget - \$1,459,485.40

The Fund Balance is projected to be \$744,629.61 at the end of 2020. An additional \$355,764.21 is projected to be added after minimal spending, starting 2021 with just over \$1 million in the Fund Balance.

The Streets Run Road project is the largest item in this budget for 2021. Bids were recently opened and came in under the estimated \$810,000.00. Part of this project will be paid out of the Sanitary Sewer Fund.

Monies are budgeted to update the Storm Sewer bill with Jordan Tax Service to include the new townhomes at Grove Pointe.

Expenditures in 2021 are projected to be \$1.46 million, leaving an estimated \$372,000.00 in the Fund Balance at the end of the year.

DOVERDELL DRIVE STORM SEWER FUND

2020 Budget: \$0.00

2021 Proposed Budget: \$0.00

The Doverdell Drive Storm Sewer Project has been completed. There is an estimated \$51,000.00 left in the Fund Balance. The 2020 budget shows a negative expenditure as the Baldwin Manor Park Association has thus far not signed an agreement with the Borough and has let a \$10,000.00 check go stale twice. That money has been deposited back into this Fund.

There are a few items trickling in that could result in expenditures in 2021 before this account can be closed out.

CAPITAL PROJECTS

2020 Budget - \$1,343,132.00

2021 Proposed Budget - \$820,500.00

The Fire Company is slated to received their new firetruck in December 2020. This item was prepaid in 2020. The Borough still owes an estimated \$40,000.00.

The Fire Company requested monies for Self-Contained Breathing Apparatus earlier in the meeting. The Borough will set aside \$100,000.00 in 2021 for the Fire Company. If Revenues stabilize, more money can be put away for a new firetruck in the future.

There is a lot of uncertainty right now regarding Revenues and the possibility of a second shutdown.

It has long been the tradition of the Borough to support the Fire Company and that support will continue.

The McRoberts Landslide project is budgeted at \$230,000.00 for 2021.

The conversion of the Old Salt Shed is projected to cost \$20,000.00 in 2020. This allowed Public Works to store grass cutting equipment during the winter months. Most of the 2021 budget for this project is a carryover from 2020.

Regarding Parks Projects – engineering and construction numbers were received from Gateway Engineers. Prospect Park Phase I will be completed in 2021. The Borough will apply for the first half of the match for the Union Park grant but the project will not be worked on in 2021.

Staff was instructed to reach out to the bank to get specific details on borrowing for the Pool. Any monies borrowed will have to be spread across 20-25 years in order for the Borough to afford the monthly debt payments. The loan can always be paid off early if funds become available. There is \$0.00 budgeted for the Pool in 2021 until Gateway Engineers submits a standalone proposal for the project.

DEBT SERVICE

2020 Budget - \$957,094.00

2021 Proposed Budget - \$924,462.00

The Borough's current debt service is budgeted at \$188,962.00 for 2021.

\$100,000.00 will be added for the Fire Company's SCBAs.

The line item – Capital Appropriation/Parks Projects – will be adjusted to reflect the monies anticipated from DCNR for Union Park Phase I.

RECESS:

M-2 Mr. Wotus moved, seconded by Mr. Veith to recess the meeting. The motion carried unanimously. Mr. Nagy recessed the meeting at 12:48 PM.

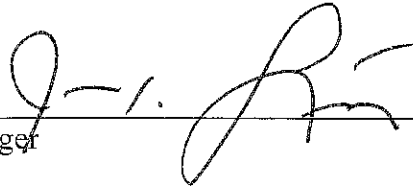
ADJOURNMENT:

The meeting reconvened at 1:39 PM.

M-3 Mr. Wotus moved, seconded by Ms. Book to set the Tax Collector Salary at \$17,500.00 starting in 2022.

M-4 Mr. Wotus moved, seconded by Ms. Book to adjourn the meeting. The motion carried unanimously. The meeting adjourned at 1:39 PM.

READ AND APPROVED THIS DAY OF DECEMBER 2, 2020.



Manager