

**TOWNSHIP OF O'HARA
SPECIAL COUNCIL WORKSHOP MINUTES
NOVEMBER 19, 2019**

I. OPENING PROCEDURES

- A. Call to Order by President Smith at 7:04 p.m.
- B. Pledge of Allegiance led by President Smith.
- C. Roll Call

Council Members Present: Robert John Smith, President of Council; Charles A. Vogel, Vice President of Council; George H. Stewart, Second Ward; Scott Frankowski, Third Ward; Allison Berger, Fourth Ward

Absent: Cassandra R. Eccles, Fifth Ward; John R. Denny, Jr., At-Large

Also Present: Ted Curran, Treasurer; Julie A. Jakubec, CPA, CGMA, Township Manager; Daniel Garfinkel, Township Solicitor; Charles W. Steinert, Jr., P.E., Township Engineer; Scott K. Slagel, Police Superintendent; Cathy Bubas, Manager's Secretary

Manager Jakubec noted Mr. Denny, Jr. was unable to attend the meeting due to a business commitment and Ms. Eccles had a work schedule conflict.

II. BID OPENING

- A. Kirkwood Drive Sanitary Sewer Project

Motion by Vice President Vogel to open the bids received for the subject project was seconded by Ms. Berger and carried unanimously.

Mr. Steinert, Jr., P.E. noted the project involves the installation of a sewer line on the shoulder of Kirkwood Drive for the new Saxonburg sanitary sewer line.

The Manager proceeded to open and read the bids submitted. A bid tabulation sheet is attached to and made a permanent part of these minutes.

President Smith requested staff to review the bids for accuracy and provide a recommendation to Council.

III. CITIZEN COMMENTS CONCERNING NON-AGENDA ITEMS

No comments.

IV. REVIEW AND DISCUSSION

A. Application for Preliminary Land Development – Chick-fil-A

Manager Jakubec stated it has been proposed by Chick-fil-A to construct a 5,015 square foot freestanding building with inside seating for 102 people and outside seating for 10 people, along with a drive-thru on the Fox Chapel Plaza property. The Township Planning Commission completed its review at the October 21st meeting and has recommended to Council that approval be granted subject to eight (8) conditions.

Attorney Rob Garvin, of Goldberg, Garvin and Kamin, introduced Clint Maston of Chick-fil-A, Justin Thornton of Maser Consulting, and Sandy Koza of McMahon Associates. Mr. Garvin believed the plan meets all of staff's comments and complies with Township ordinances. He noted the traffic study was approved by Penn D.O.T. and reviewed by the Township.

Mr. Thornton compared Chick-fil-A operations with other franchises, noting Chick-fil-A's goal is to be involved with the community. He stated the Rita's Italian Ice structure would be demolished. Overhead power lines above the Plaza determined the location for the new restaurant. Also noted were an isolated lane to separate pedestrians from traffic, shorter parking stalls, sidewalks and dedicated stacked drive-thru lane.

Mr. Stewart inquired about the entrances to the Plaza and restaurant, which Mr. Thornton and Ms. Koza noted.

Mr. Thornton stated the structure and trash enclosures would be constructed with all brick. The restaurant will not have a canopy. An indoor play area, accessible only from inside, is provided for kids. Mr. Thornton also noted only two building signs would be mounted on the building.

Treasurer Curran asked if all eight conditions, as recommended by Planning Commission, had been met. Mr. Garvin indicated condition number 8 to be a problem.

Mr. Thornton indicated the additional landscaping will help control storm water along with an underground catch basin. He also referenced variances that were granted by the Zoning Hearing Board. The outdoor tables are fixed and the chairs are movable. A retaining wall with a fence on top is also included to prevent car headlights from shining into the adjacent residential area.

Mr. Garvin explained as for condition number 8, Chick-fil-A is a tenant and should not be treated differently than other tenants, nor is landscaping improvements required in the ordinances. Mr. Alex Condron, property owner, stated Chick-fil-A is taking a lot of asphalt and making it nicer. Requiring Chick-fil-A to assist with additional landscaping improvements is outside of the lease, and as the Plaza owner, Mr. Condron preferred to provide improved landscaping on his own.

Vice President Vogel questioned if that condition was recommended by Planning Commission. Manager Jakubec explained the thought was related to the cost savings as a result of the variance that was granted.

Mr. Stewart indicated he would like to see the landscaping plan. Mr. Thornton stated he did not have the cross section plan, but noted the types of plants proposed for the site.

Mr. Stewart inquired about the expected revenue for Chick-fil-A. Mr. Garvin stated the anticipated revenue is not relevant to the minor land development application.

Mr. Stewart suggested a single drive-thru lane. Mr. Thornton explained a single lane would create a problem with queuing.

Manager Jakubec acknowledged potential legalities with Chick-fil-A helping the property owner with landscaping. She noted the cost savings to Chick-fil-A since they would not have to plant as much as required by ordinance, and questioned what Chick-fil-A would be willing to contribute, noting Township parks and trails.

Mr. Mark Adelsheim, Country Club Lane, questioned the number of cars per day at Chick-fil-A. Vice President Vogel referred to the Traffic Study.

Mr. Garvin stated Chick-fil-A has agreed to donate trees for Township Parks, but could not decide on the number of trees that would be donated.

Residents' concerns about the environment, Styrofoam and trash were noted. Mr. Garvin stated the Land Use Ordinance does not address those things and it is a decision for the Corporation. He clarified Chick-fil-A is seeking approval subject to the seven conditions. He stated the landscaping condition is inappropriate, but they are willing to donate a tree, or two.

Mr. Clint Mattson, of Chick-fil-A, stated they were acceptable to condition number 8 or donating trees, as they plan to be here a long time. He noted the Corporation is leaning toward doing away with Styrofoam cups and some states have banned them.

Treasurer Curran questioned how Chick-fil-A would affect the possibility of getting a supermarket in the Plaza.

Mr. Condon recalled his wife's experience at a Chick-fil-A restaurant and exceptional customer service. He had a prospect for a grocery store, but they ran into financial difficulties. He noted by the time Chick-fil-A decided on that location, they had done their due diligence. Chick-fil-A brings attention to nice retailers compared to other discount stores.

Ms. Koza stated 2,266 total cars in and out per day between 6:00 a.m. and 10:00 p.m. are expected at the restaurant. Treasurer Curran clarified it is actually 1,100 cars in and the same cars going out. Mr. Condon noted Community Market had 1,660 cars per day and the other tenants do not have that much traffic.

Mr. Stewart requested an executive summary of the traffic study in layman's terms. Mr. Josh Haydo, of Wooster and Associates, stated he reviewed the McMahan traffic study and supplemental study. He and Ms. Koza continued to review the results of the traffic studies. Mr. Steinert, Jr., P.E. noted the timing of the traffic signals at Freeport Road and Fox Chapel Road and by the GetGo could be reviewed.

President Smith inquired about odors from cooking the chicken, which Mr. Mattson explained the process of eliminating the smell of food.

Mr. Rich Citrin, Chapel Harbor Drive, expressed concerns about traffic, noting the traffic studies were based on Chick-fil-A restaurants along four-lane highways. Freeport Road is two-lanes. Mr. Citrin asked if Chapel Harbor gets a predominance of trash, would the staff from Chick-fil-A clean it up. Mr. Thornton stated the area is policed hourly and trash is picked up in the parking area by the restaurant. Mr. Citrin expressed concerns of safety for people crossing Freeport Road at night, and referenced a letter sent to Council from Stacey Vernallis. Mr. Frankowski indicated residents from Oak Hill Manor have told him they are thrilled with the Chick-fil-A coming. Mr. Citrin noted other restaurants he would rather have in the Plaza.

Vice President Vogel stated the biggest concern was traffic. He understands that the study is valid, and acknowledged sometimes Freeport Road is a parking lot. He requested Chick-fil-A to do what they can to get rid of the Styrofoam.

Mr. Stewart questioned the Township's options if the traffic situation worsens, which staff explained. Mr. Condon noted the traffic study was reviewed five times; twice by McMahon and Wooster, and once by Penn D.O.T. who owns the road and are the toughest judge. The study satisfies the ordinance requirements. Mr. Stewart clarified the reality is the cars will stack up and people will go around to avoid the traffic. He has to consider the residents regardless of what Penn D.O.T. says. Ms. Koza indicated the traffic signals further down Freeport Road, in the City of Pittsburgh, could be adjusted to help traffic flow.

President Smith questioned what, if any, action must Council take tonight. Manager Jakubec stated ideally Council could take action tonight or will have to ask Chick-fil-A for an extension of time to render a decision.

Motion by Ms. Berger to approve resolution Bill No. B-62-2019 was seconded by Vice President Vogel.

Mr. Stewart inquired about the approval process, which Mr. Steinert, Jr., P.E. explained an application for final land development approval would be reviewed by Planning Commission. All eight conditions listed in preliminary approval must be addressed. The application for final approval would be presented to Council for consideration. He noted nothing from this point forward can change as far as the plan or conditions of approval.

On roll call the motion carried 4-1, with Mr. Stewart opposing.

B. Review of the Proposed 2020 Operating and Capital Budgets

Manager Jakubec referenced an updated unassigned fund balance provided to Council. She noted a new fund is also introduced for a storm water fee, which is similar to a utility fee. A study needs to be done to determine the amount of the fee. A proposal for the study was provided by Lennon Smith Souleret and the fee will include the school district, churches, non-profit entities, including the VA, and businesses. It is anticipated the average monthly fee will be approximately \$7 to \$8. The Manager questioned how Council wanted to proceed with reviewing the proposed budget.

Ms. Berger questioned where money for the flooding issues is coming from, which the Manager noted the unassigned fund balance, which will be at 11% going into 2020. Once the storm water fund builds, staff will be able to use those funds in the future.

Ms. Berger asked with the separate account, will there be no money coming from the fund balance. Manager Jakubec explained if there is a catastrophic event, such as a blizzard, the funds would come from fund balance. Ms. Berger confirmed with the separate account, potentially taxes would not have to increase in future years.

Vice President Vogel stated the storm water fee will generate about \$500,000 next year, but will be spent on Cabin Lane and other improvements. If the Township has a major event, there still will not be money to address the damages. Manager Jakubec stated she would pursue grants to fund large ticket items. She was not happy about the tax increase, but the proposed budget includes the items Council wants. Her concern is if there would be another catastrophic event.

Manager Jakubec noted there is \$25,000 allocated for the storm water study, and there will be engineering costs to design the project. She added the Army Corps of Engineers has funded the study with Fox Chapel Borough for Squaw Run. It was noted some of the money would be used to meet MS-4 requirements. The Manager stated the two big things in the budget are the storm water fee and the real estate tax increase.

Treasurer Curran noted the Manager had not taken out any of the projects they had discussed. Manager Jakubec explained it is Council's budget to review and it is solely up to Council to eliminate items.

Treasurer Curran stated he opposed a tax increase, noting revenue remains flat and expenses continue to increase. He believed salaries would increase resulting in more revenue from the Earned Income Tax, and suggested staff persuade contractors to cut contract costs. The Manager explained that Earned Income Tax is not always constant. Treasurer Curran stated the budget document is very informative, and understood the need for the storm water tax/fee. He noted the Saxonburg Sewer project was a necessity, but currently only affects 60 homes, with 150 homes projected in the future. Until new homes are built, the Township is paying for that portion of the sewer. He also anticipated the Saxonburg property values would increase due to access to the sewer line. Treasurer Curran believed the municipal backyard fence should cost about \$20,000. He also noted other cost increases residents are facing. Treasurer Curran acknowledged some items are critical.

It was noted the projected real estate tax revenue is based on assessments as of the end of October. Manager Jakubec noted the revenue numbers are based on history.

President Smith stated \$251,000 needs to be cut from the proposed budget in order to avoid a tax increase.

Mr. Stewart requested staff to present Council with items that could be cut. Vice President Vogel stated that is not how this works. It is Council's job to determine what items are to be eliminated.

Vice President Vogel inquired about the allocation for roads. Mr. Steinert, Jr., P.E. explained the cost estimate is based on this year's bids and the roads to be paved next year. He stated Superpave does not last 16 years and if you put off some of the roads it will cost more later.

President Smith stated the budget is based on what Council told the Manager they want. Manager Jakubec noted which projects could be cut and other projects that must be done.

President Smith noted he has not heard Council suggest anything to cut.

Manager Jakubec recalled the Township had a healthy fund balance and did not raise taxes for 16 years. The two flood events in two consecutive years depleted the fund balance. She noted the savings from refinancing the bonds was not factored into the budget.

Ms. Berger preferred to get the fund balance to increase, possibly to where it once had been. Manager Jakubec stated she would adjust the budget, or do whatever Council desires.

Mr. Stewart noted the community center seems profitable and suggested not giving the \$120,000. If a problem arises, then the Township could address the issue. Mr. Frankowski stated the community center building is owned by the Township. Ms. Berger noted a big portion of the fund balance was used to build the community center.

President Smith acknowledged Treasurer Curran recommended cutting items from the budget. Treasurer Curran stated the only known costs are what is contracted. He suggested going back to contractors to renegotiate contracts. Solicitor Garfinkel stated nobody pushes back on contracts more than Manager Jakubec. Treasurer Curran noted the trash contract increase. The Manager stated it is a North Hills Council of Governments negotiated contract.

President Smith clarified it is Council's job to cut items from the budget, not the Manager's responsibility. He asked what Council wants to cut from the budget.

Ms. Berger asked if the property tax is increased this year, plus the storm water tax, would it be possible to lower the property tax in 2021, which the Manager indicated was possible, provided another catastrophic event does not happen. Ms. Berger noted storms are happening more frequently.

It was noted that the school district has been appealing property assessments on recently sold properties.

Vice President Vogel inquired about the procedure which the Manager explained.

President Smith indicated Council needs to provide direction to staff. Mr. Stewart indicated staff would know what the costs are and could look at the big items. President Smith stated Council has to establish direction for staff. Mr. Stewart indicated Council could review the budget individually and meet later to discuss. President Smith noted the need for Council to go through the budget together. Mr. Stewart stated he was not prepared to go over the budget items tonight with all of Council.

Ms. Berger recalled over the years the budget numbers have been solid and accurate; conservative. She, personally, was not willing to cut services. The events that occurred were unfortunate. She suggested raising the real estate tax to bridge the gap and once the storm water fund is in place, maybe lower the tax rate. She recommended moving forward and being realistic, to which Mr. Frankowski agreed.

Mr. Stewart suggested making the storm water fee higher. The Manager explained the storm water fee amount must be based on a study, which according to Fox Chapel Borough and PWSA should be about \$7 to \$8 per person.

The consensus of Council was to move forward with the storm water fund study.

Vice President Vogel stated he was willing to live with the budget as presented. He noted people are saying to cut items, but not what to cut.

President Smith noted three members of Council were willing to accept the budget as presented and he would be the fourth, and believed Mr. Denny, Jr., if in attendance, would be the fifth.

President Smith requested the Manager to work with the Treasurer on the budget earlier next year.

Manager Jakubec stated the budget would be reviewed again at the December Council workshop. If anything changes she would inform Council.

C. Proposed 2020 Goals

Due to the late hour, Manager Jakubec suggested Council discuss the subject matter at a future meeting.

V. CONCERNS OF COUNCIL

Mr. Frankowski stated Peoples Gas put the gas line in the mausoleum and did not fix the road. Mr. Steinert, Jr., P.E. stated they are required to fix the road.

VI. CONCERNS OF STAFF

None.

VII. ADJOURNMENT

The Council special workshop adjourned at 10:43 p.m.

Cathy Bubas, Manager's Secretary

Attachment: Sign-In Sheet(s)