

TOWNSHIP OF O'HARA
SPECIAL COUNCIL WORKSHOP MINUTES
NOVEMBER 21, 2023

I. OPENING PROCEDURES

- A. Call to Order by President Smith at
- B. Pledge of Allegiance led by President Smith.
- C. Roll Call

Council Members Present: Robert John Smith, President of Council; Cassandra R. Eccles, Vice-President of Council; George H. Stewart, Second Ward; Michael F. Hammill, Third Ward; Olivia T. Payne, Fourth Ward; John R. Denny*, Jr., At-Large

Absent: Richard S. Hughes, First Ward

Also Present: Greg Caprara, Township Treasurer; Julie A. Jakubec, CPA, CGMA, Township Manager; Charles W. Steinert, Jr., P.E., Township Engineer; Christopher Komora, Special Projects Coordinator/Code Enforcement Officer; Todd Giammatteo, Public Service Superintendent; Jay Davis, Police Superintendent; Cathy Bubas, Manager's Secretary

(*) attended via zoom.com

The Manager noted Mr. Hughes was unable to attend the meeting due to a business conflict, and Treasurer Caprara was addressing a personal matter.

II. CITIZEN COMMENTS CONCERNING NON-AGENDA ITEMS

III. REVIEW AND DISCUSSION

- A. Review of the Proposed 2024 Operating and Capital Budgets

Manager Jakubec stated the proposed budget was made available as of November 1st as required by the Home Rule Charter.

President Smith questioned what the utilities are, which the Manager stated sanitary sewer and stormwater fees, which are enterprise funds and function as a business.

Manager Jakubec proceeded with the budget overview, which relates to certain funds and presents what has happened to unassigned fund balance over the past five years. She referenced an update to the current fund balance. President Smith commented that it seems the unassigned fund balance always ends up with more. Manager Jakubec explained the proposed budget is always prepared conservatively.

Manager Jakubec proceeded to review revenues. She stated no Real Estate Tax increase is proposed. Typically, 98% of real estate taxes are collected, though this year it has been slightly less.

President Smith suggested explaining a mil for the benefit of a student in the audience. Manager Jakubec explained Allegheny County certifies property values in the beginning of the year, which is the dollar amount used for tax purposes. In preparing the budget, the current property value was used. Property values fluctuate based on people appealing their taxes and their assessment decreasing, or the school district appealing the taxes and the assessment increases.

The Manager proceeded to review each section of the proposed budget document. She explained Earned Income Tax is paid on dollars earned. As a Home Rule municipality, the Township is allowed to go above .5% per Act 62. The Township's Earned Income Tax is .8% and the school district's rate is .5%. The Earned Income Tax has not been increased for several years. As people's salaries increase year to year, the revenue from Earned Income Tax also increases.

President Smith questioned what went up because the Township is collecting more money with the same tax rates. Manager Jakubec noted several fees were increased, building permits are over budget, Earned Income Tax came in over budget. She explained the budget is always estimated conservatively because you don't know if the economy is heading into a recession. The Realty Transfer Tax is over budget, but interest rates have increased and the housing market is slowing. It is a very volatile tax source.

Manager Jakubec stated the LST is \$52, of which \$47 goes to the Township and \$5 goes to the school district. LST goes to the municipality in which people work; Earned Income Tax is paid to the municipality where people live. LST has not increased due to several vacancies in RIDC, the Township's main place for employment. The Township is working with the RIDC Business Alliance and RIDC to try to increase employment in the park by changing zoning.

The Manager reviewed the Building and Structure section of the budget, which includes building permits, street opening permits, zoning hearing board fees, grading and filing fees, subdivision applications, storm sewer permits, occupancy permits, etc. Building Permit fees are aimed to break-even but came in over budget due to numerous projects. Mr. Stewart recalled the fees were adjusted mid-year. Manager Jakubec noted the fees were changed mid-year for the EV Charging Stations and it was changed at the last meeting for when employees do work on private property, as well as zoning hearing board fees due to increased advertising costs.

Manager Jakubec indicated fines are vehicle violations. If the Police issue a ticket, the Township receives part of the money. Fines also reimburses construction where liens were filed on the property. The Township does not dictate whether Officers issue a warning or a ticket. Police Superintendent Davis stated the Township only receives half of the fine.

The Manager noted interest earnings have done exceptionally well. The interest earnings go to the General Fund. The Township's relationship with Dollar Bank, after reviewing Requests for Proposals, has been very lucrative. Since 2024 is an election year, the market is very volatile and the budget was prepared very conservatively.

Manager Jakubec reviewed Federal, State and Local Revenues and Grants. State grants were awarded for recycling. AS the Township recycles more, such as the holiday lights, corrugated cardboard, batteries and glass, the more grant money is awarded. Staff also applied to the Driving PA Forward for a grant for the recharging stations.

The Manager noted the Township receives a percentage of public utility taxes from the State. It also includes money from the Volunteer Fire Relief Associations, which is the foreign fire insurance money from the State.

Manager Jakubec noted State Aid received for the Police and Employee Pensions, which cover the minimum municipal obligation (MMO) that the Township is required to contribute to the pension plans.

The Manager explained Business Licensing is the cable television franchise fees negotiated with Verizon and Comcast through the North Hills Council of Governments. She anticipates the franchise fees to decrease and people are using streaming services instead of cable.

Manager Jakubec noted Charges for Services is from selling used equipment on Municibid. She noted vehicles and equipment to be sold by yearend so that vehicle insurance does not have to be paid for them in 2024.

The Manager stated the General Miscellaneous category is a catch-all, such as insurance refunds and employees' healthcare contributions.

Manager Jakubec explained the sanitary sewer fund is an enterprise fund; it functions like a business. A rate increase of \$25.00 a year per family is proposed based on the rate study. Rates need to be increased incrementally over several years to pay back the costs associated with the Saxonburg Boulevard, Village Drive and Dorseyville Road sewer projects.

The Manager noted all residents, businesses and non-profit entities, the school district, H. J. Heinz Center pay the stormwater fee for using our stormwater system. The purpose of the fee is to enable funding for stormwater projects, MS-4 programs and wages spent on stormwater issues. Mr. Stewart inquired about the discount amount on properties that implement stormwater facilities. Mr. Steinert, Jr., P.E. indicated he would calculate that information. He noted Bayer receives a 50% discount because of the Epsilon stormwater facility.

Manager Jakubec continued by reviewing the proposed expenditures and expenses. She noted 'expenditure' refers to the general fund; 'expense' is an Enterprise Fund, which includes sanitary sewer fund and stormwater fund.

The Manager stated Administration includes Governance, Finance and Taxation. She noted health insurance premiums increased significantly. Finance involves deposits, payables, bills paid. She also indicated part of her salary comes out of Governance and Finance.

Manager Jakubec stated Taxation is where the Township pays tax collections, Keystone Collections Group and Jordan Tax Service, any real estate tax refunds, lien letters for residents selling their houses. It was noted that Keystone Collections Group collects all Earned Income Tax and Jordan Tax Service collects LST, Real Estate Tax and Stormwater Fees.

The Manager stated COVID was an Extraordinary Event. She applied last December for FEMA reimbursement and received \$53,000 in November.

Manager Jakubec noted Police includes protective services and animal control. It is recommended to hire one new full-time Police Officer. Hoffman Kennels is contracted to pick up dead deer and stray dogs that we can't find their owner. Mr. Hoffman says it is a No Kill Shelter. The Manager stated a lot of times staff will find the owner through social media. The Police also have equipment to read chips.

The Manager stated the Township subsidizes the fire departments and ambulance. Each Township fire department receives \$75,000 and an additional \$75,000 is divided among other area fire service providers that also provide service to the Township. The Township also pays fire hydrant rental fees to the water authorities. The Township's ambulance provider is Parkview EMS. The proposed contribution to the ambulance is consistent in 2024 at \$50,000. The Manager was waiting on information from Parkview EMS which may determine the Township's contribution.

Manager Jakubec indicated Emergency Management assist in managing emergency situations. Tom Heilmann is the EMA Chief and Tom Polczynski is the EMA Deputy. The Emergency Management Plan is in need up updates next year. She recalled the deputy had expressed the need for a new computer.

The Manager stated Community Development includes Township Engineer Chuck Steinert as well as Lennon Smith Souleret, the Township's external consulting Engineer.

Manager Jakubec explained Code Enforcement ensures the Township ordinances are being followed. The Township wants compliance; not citations. She noted enforcement of ordinances is complaint-driven.

The Manager noted Public Service is responsible for solid waste, municipal building repairs, road maintenance, parks, sanitary sewer, and storm sewers. She stated additional funds were allocated to the municipal building to move the dumb waiter from the Police Department to the Public Service garage. The Manager explained time from roads was moved to the municipal building and salaries for the employees. Specific projects are also scheduled for the winter. Solid waste includes Waste Management's contract increase.

Mr. Denny, Jr. questioned the significant difference in budgeted wages and salaries for 2023 and yearend. The Manager explained it was decided to build a restroom. In reviewing projects in the municipal building, she tried to get the salaries in the right bucket. She noted Chuck McClafferty, is an electrician and has been changing out all the lights in the building and parking lot to LEDs through a Duquesne Light Program.

Manager Jakubec noted Repairs is everything to keep the vehicles moving. Being apprehensive about the auto workers' strike, extra parts were ordered to be on hand. She noted Tony is the Township Mechanic and Justin is a backup Mechanic.

The Manager stated Maintenance and Roads includes snow plowing and other work on the roads. It does not include paving; paving is a capital project. A portion of funds is included for catch basin repairs, replacing stormwater pipes, and other things of that nature.

Manager Jakubec stated the Township has a very robust parks system. The section reflects parks operating costs and small pieces of play equipment. Big projects are considered capital projects.

Ms. Payne questioned the jump in the 2023 budget for Parks. Manager Jakubec noted a lot of projects were done in the park. A musical trio was installed at Sacco Park because it was a really good deal to pass up. Staff works with the vendor.

Manager Jakubec noted the next section is the Community Center and Library Association. A place holder of \$22,000 for the Cooper Siegel Library – Sharpsburg Branch is included, but Council may change that dollar amount.

The Manager noted Sanitary Sewer Expenses include capital, depreciation, debt and ALCOSAN treatment. Mr. Stewart inquired about ALCOSAN's increased cost, which the Manager indicated would be between 7 and 8%.

Manager Jakubec stated the Stormwater Fund is also an Enterprise Fund. It includes stormwater capital projects and MS-4 projects.

Mr. Stewart asked if there is a separate line item for Lennon Smith Souleret. The Manager indicated it comes out of the MS-4 line item but would provide the exact account number.

The Manager noted the Township's Debt, Principle and Interest across all funds. If the Township refinances the bonds next year, this will look different. What is presented is what is owed as of now for next year based on the debt amortization schedules.

Manager Jakubec stated the Township sends money to PNC to fund the defined benefit pension plans. The plans are funded through State aid. The clerical group pays 3% pretax and the police pay 3% post-tax to the pension plans. With the percentage of their salaries, plus the State aid, plus investment earnings, the pensions are fully funded and the Township distressed status is zero. The defined contribution plan is 5% Township contribution and 4% employee contribution.

Manager Jakubec recalled reviewing the Capital Improvements Plan in detail in September. Based on Council's recommendations and a few other projects that were identified, this section includes all the planned projects for 2024.

The Manager referenced the summary of total expenditures, noting detailed line items.

Manager Jakubec noted the supplemental information includes proposed budget and tax ordinances; followed by the budget calendar and salaries.

Vice President Eccles noted the office workers contract was negotiated and inquired about the police contract. Manager Jakubec indicated the Police contract would be negotiated in two years along with the Public Service employees.

Manager Jakubec noted Full Time Wage Allocation Chart notes the percentage of wages charged to each account.

The Manager referenced the Tax Rate Comparison Chart, which compares tax rates with other municipalities in Allegheny County. She noted the pie chart, which indicates 7.62% of taxes are paid to the Township and 75.22% goes to the school district.

The Manager requested Council to call or email if they have any questions.

Mr. Stewart questioned the comparison of the Township to the City of Pittsburgh. The Manager indicated she could try to calculate. The City Earned Income Tax is structured differently than the Township.

Vice President Eccles asked if there was any room in the budget for a pavilion at the Community Center. Manager Jakubec stated staff is getting quotes. Staff can do concrete work. She recalled finding a three-piece gazebo in Amish Gazebos. She indicated she would contact Mark Rothert, Executive Director of the community center to discuss size. Mr. Giammatteo, Public Service Superintendent, indicated seeing what it is going to be used for would help decide how big of a building is needed. Vice President Eccles explained a pavilion would offer shelter and shade for summer camp activities. It could also be rented. Manager Jakubec stated rental of a pavilion would be the community center's domain.

B. Requesting Authorization to Sell Used Equipment on Municibid

Manager Jakubec stated staff has recommended selling the 2014 International 10-ton Dump Truck through Municibid. Auctioning equipment through Municibid has been quite lucrative. She requested Council's consideration of authorizing the sale this evening.

Motion by Mr. Stewart to authorize the sale of the 2014 International 10-ton Dump Truck through Municibid was seconded by Ms. Payne and carried unanimously.

IV. CONCERNS OF COUNCIL

No concerns were expressed.

V. CONCERNS OF STAFF

The Manager announced the Township will sponsor the Annual St. Vincent DePaul Food and Toy Drive on Saturday, December 16th between 11:00 a.m. and 3:00 p.m. at the municipal building parking lot. Items may also be dropped off in the municipal building lobby during business hours until December 15th.

Manager Jakubec stated the batteries recycling arrangement has been finalized. Alkaline and ion rechargeable batteries will be able to be dropped off at the Township building and will be recycled.


The Manager noted the holiday lights recycling bag is filling up and she anticipates lots of lights will be dropped off next week.

Manager Jakubec requested Council to remain after the special workshop for an Executive Session to discuss a legal matter.

Mr. Denny, Jr. informed staff that beer cans are being thrown over the fence from the VA facility onto the even side of Woodshire Drive.

The special workshop adjourned at 7:55 p.m. and Council entered Executive Session.

Attachment: Attendance Sheet


Cathy Bubas, Manager's Secretary

SIGN-IN SHEET

DATE: 11-21-2023

TOWNSHIP OF O'HARA

Council Special Workshops
Meeting

Kris Pizzella

Name _____

AP Gov

Address or Organization

Name

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