

WILKINS TOWNSHIP BOARD OF COMMISSIONERS

BUDGET MEETING MONDAY, SEPTEMBER 29, 2014

The Budget Meeting of Monday, September 29, 2014 was brought to order at 6:02 PM by President Sylvia J. Martinelli. A quorum was present as follows:

Mrs. Martinelli                      Ms. Criner  
Mr. Boyd      Mr. Costa      Mr. Wells

Mrs. Bradley presented the proposed 2015 General Fund Budget. At this time, revenues and expenditures are balanced at \$5,197,400. This budget is about 1% more than the 2014 budget. There is no real estate tax increase proposed. Variables continue to exist, such as the cost of health care premiums for employees, workers compensation premiums and the package policy premiums. For purposes of putting together this budget, a 10% increase was assumed in all three of these items.

New this year: Several changes were made to the General Fund Budget to more accurately identify the sources of some revenues and expenditures. These changes are as follows:

- Revenues:
  - Added Account 321.600 (Dumpster Permit Fees). This account was actually added during the year this year, but going into 2015, it has funds budgeted (\$300).
  - Added Accounts 367.305 and 367.310. Account Number 367.300 is the account which has historically tracked "Rent." In the past, this only meant dollars received for park rental permits. With the advent of the Community Center and the Bridge Players, we now have three different sources of rent. In 2015, we will actually be able to tell how much "rent" we are getting from each source. 367.300 will continue to be rent for the parks (\$2,400 budget). 367.305 will now be rental fees received for the Community Center (\$7,000 budget) and 367.310 will be for fees received from the bridge players association (\$12,300 budget).
  - Added Account 380.115 – Rental Registrations. Previously, these funds were placed into 380.107 which records revenues received for occupancy permit inspections. Now, we will be able to see what the Township receives in rental registrations (without having to go through a separation process). If the Vacant Property Registration ordinance is ultimately adopted another account should be created to capture those revenues separately as well.
- Expenditures:
  - Deleted Account 412.231, Building Maintenance. When the Community Center was taken over by the Township, this account was used to capture all expenses associated with it. The account was listed under "Ambulance / Rescue. This account was deleted in the 2015 budget.
  - Added Account Grouping:

459 – Community Center	
459.361 – Electricity	\$1,800
459.362 – Gas	\$1,800
459.366 – Water/Sewer	\$500
459.373 - Repairs Bldgs/Grounds	\$2,900

Revenues:

Beginning Balance: The 2014 Budget contemplated transferring \$381,500 from the Emergency Contingency Fund to the General Fund to close the continued gap between revenues and expenditures. While it was necessary to transfer \$98,500 in early 2014, it will not be necessary to transfer any additional funds this year. The largest reason for this is that the carryover from 2013 to 2014 which was initially estimated at \$135,300 ended up being \$336,600. Moving into 2015, the Township will continue to have funding to close the revenue less expenditure gap. The 2015 budget proposes to use \$340,000 of the \$350,000 remaining in the Emergency Contingency Fund.

Property Tax: Revenue received from current year property tax in 2015 is currently budgeted at the 2014 level (\$2,200,000). This will likely be changed by the next edition of the 2015 proposed budget. Historically, collections of real estate tax in the 4<sup>th</sup> quarter have averaged about \$23,000. If that holds true, collections will finish about \$18,000 less than the \$2,200,000 budgeted for 2014. In addition, the Township refunded \$27,000 in current year real estate tax payments during the course of 2014 (see account 491.000). Therefore, the budget for 2015 would more accurately be \$2,155,000, or \$45,000 less than what is currently proposed. This change has not yet been made because in his August report, Mr. Porado still shows \$112,370 outstanding. Prior year and delinquent real estate taxes have been

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shaved of about \$15,000 in the proposed 2015 budget. Neither of these accounts are currently expected to come in at their respective 2014 budgeted amounts. Again, historical patterns indicate minimal collections in the 4<sup>th</sup> quarter.

Act 511 Taxes: Earned Income Tax Collections continue to outpace all other Act 511 income. Collections will finish the year at about \$800,000, or \$100,000 over the 2014 budgeted amount. The year 2014 will mark the third year since the Commonwealth required implementation of Act 32 of 2008. Collections in 2012 and 2013 both met and slightly exceeded \$800,000. Therefore, the 2015 Proposed Budget is set at \$800,000. The 2015 budget holds Mercantile, Local Service and Business Privilege Tax levels at the 2014 level. These accounts will be reviewed again at the end of October.

Loans: The 2014 Budget contemplated borrowing \$81,000 to pay for a dump truck. It appears that this payment can either be made or escrowed (depending upon billing and delivery) without the need to borrow funds. The Township awarded the truck bid to A&H at price of \$71,556. The cost of the truck will be split between the General Fund and the Combined Sewer Fund.

State Shared Revenues: The Township has not received notification of the Liquid Fuels allocation for 2015 yet. The amount received in 2014 (\$144,400) was about 10% more than what was budgeted because of the passage of the gas tax late last year. The proposed 2015 budget increases the revenue from \$129,100 to \$145,000, mirroring what was actually received in 2014. This is subject to change pending the receipt of the actual allocation from PaDot.

Expenditures:

Collective Bargaining Unit Agreements (CBA's) and Employee Benefits: The CBA's for both unions stipulate a wage increase for 2015 in the amount of 2.5%. The CBA's also require the premium for health insurance to be the same as or less than the premium for the high deductible plan that the Township had with MEIT until last year. The Highmark rates are not available for that plan or for the Township's current plan yet. For purposes of this budget, the health care premiums reflect an increase of 10%. The rates for Workers Compensation are also not available yet. For purposes of this proposed budget, rates have been increased by 10% from the 2014 rates.

Legal: According to Mr. Rushford, total anticipated expenditures for 2015 should be about \$45,000. More detail is included in the budget binder.

Engineering: Mr. Arnold has provided a summary of projects and expected engineering fees for those projects. This information is included in the 2015 budget binder under the Engineer tab. Engineering services for General Fund purposes are anticipated to be: \$15,000 for paving related items and \$35,000 for miscellaneous engineering services for a total of \$50,000

Buildings and Grounds: Account 409.373 includes \$50,000 to be used to replace the doors on the front of the municipal building.

Police: Under account number 410.740, Chief Krancic requested funds to purchase two 2015 Ford Utility Interceptors. Funding included in the 2015 budget is to purchase and upfit one vehicle (\$39,200). Additional funds requested to purchase and install a camera (\$3,700) and upgrade computers (\$2,000) are also included under account 410.740. Chief Krancic also requested \$24,647 in training dollars. This amount was reduced to \$10,000 in the proposed 2015 Budget. Funds (\$13,000) were included in the US DOJ Account line item as well.

Code Enforcement: The line-item for wages (413.136) includes \$27,734 in funds for the first year of an agreement with the TCVCOG for a pilot joint code enforcement officer program in conjunction with Churchill Borough. The COG will employ an individual on a fulltime basis. This employee will split hours equitably between Wilkins and Churchill. The employ is expected to begin in March.

Public Works: Mr. Bruener requested funds to replace Truck 67 (\$38,000), purchase a snow plow (\$5,075), mount a snow plow (\$2,265) and other miscellaneous capital purchases amounting to \$46,000. These are included under 430.740. Road paving projects proposed include: the remaining portion of Briaridge Drive (\$95,000), one-half of Kingston Drive (\$130,000), Microseal of Harrison Drive (\$40,100) and in-house paving of Churchill Lane (\$30,000). These funds are included in 438.210.

Recreation: Funds are included in 452.373 (\$14,000) to begin the process of removing and replacing the safety surfacing at the playgrounds with safety surfacing with weed barrier. The Recreation Committee

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submitted a budget requesting \$40,000 for events, with \$38,000 specifically for the Summer Festival. Only \$15,000 has been allocated at this time (452.451).

Interfund Transfers: A transfer of \$35,000 is anticipated from the General Fund to the Capital Reserve Fund. These funds will be used to refund previous years real estate tax assessments (\$20,000). Other uses include the purchase and installation of carpeting and furniture for the municipal building (\$10,000) and the purchase and installation of computer hardware (\$5,000). A transfer is also budgeted from the General Fund to the Bi-Centennial Fund (\$7,500), which will bring the total funds available for the celebration in 2021 to \$15,000.

The budget meeting was recessed at 6:28 PM to permit the advertised public hearing to take place. The meeting was reconvened at 6:40 PM, following the public hearing.

Industrial Development Authority Fund (IDA):

The Manager will endeavor to seek a Department of Conservation and Natural Resources (DCNR) grant in the amount of \$15,000 to match the annual IDA allocation of \$15,000. These funds will together be used for the purpose of purchasing new playground equipment for the parks. The Planning Commission and Board of Commissioners will also have an opportunity to begin a comprehensive plan. The earmark in the IDA fund for this plan is \$49,800. Total revenues and expenditures in the 2015 proposed IDA fund are balanced at \$79,800.

Combined Sewer Fund:

The sewer reconstruction project on Dowling Avenue will be completed during the course of 2015. There are two remaining phases which will be bid together. The estimated cost of the remaining scope of work is \$290,000. Repairs/replacements will also be performed on lines with defects and the Board will work with a consultant to perform a flow monitoring project with Churchill Borough on Brown Avenue. Additional work to be performed includes the separation of the sanitary and sewer lines on Highland Avenue. This is more fully detailed in the "Linhart Grant Fund." Revenues and expenditures are balanced at \$1,754,500. The Township has not yet received notification from the Allegheny County Sanitary Authority (ALCOSAN) of the 2015 rate structure, so this budget is expected to be revised.

Emergency Contingency Fund:

This fund is balanced at \$561,800. It is anticipated that these funds will be used to ensure the liquidity of the Linhart Fund and the General Fund. Funds transferred to the Linhart Grant Fund will be reimbursed while funds transferred to the General Fund will not be reimbursed, as was discussed in the General Fund budget presentation earlier.

Emergency Management Fund:

There will be no activity in this fund in 2015.

Capital Reserve Fund:

The Capital Reserve Fund will begin the year with a near zero balance. Funds in the amount of \$35,000 will be transferred from the General fund to fund successful prior year tax assessment appeals (\$20,000), purchase new furniture and carpeting (\$10,000) and purchase new computer hardware (\$5,000). The fund is balanced at \$35,000.

Liquid Fuels Fund:

PaDot has not provided the Township with an estimate of receipts for 2015 at this point. It is anticipated that the Township will receive the same as or more than what was received in 2014. At this time, the budget is set at \$145,100 but that could change dependent upon notification of actually allocation.

Police Pension Fund: This is a pension trust fund designed to provide funding for pension payments to police retirees. Revenues are from Act 205 / State Aid and General Fund Transfers. Expenditures consist of benefit payments to retirees, and administrative and actuarial expenses. For 2015, the budget is

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balanced at \$433,000. The Township's minimum municipal obligation to the Police Pension Plan for 2015 is \$381,884.

Retired Members Death Benefit Fund (RMDB): The purpose of this fund is to provide death benefits to the beneficiaries of deceased retirees. The revenues for this fund are transfers from the General Fund (\$8,050 annually). Revenues are currently \$128,800.

Wilkins Township Disaster Relief Fund: This fund is balanced at \$1,900. Monies in this fund are to be used to aid the Red Cross Disaster Team in a crisis situation. Revenues are from grants and donations.

Linhart Grant Fund: The Board of Commissioners accepted a grant from the Department of Environmental Protection Bureau of Abandoned Mine Reclamation (DEP BAMR) in the amount of \$350,000 in April of 2012. Wilkins has combination storm and sanitary sewers in the Highland / Negley area of the community. The Township applied for a PennVest loan in the amount of \$537,000. These funds and the DEP funds will be used to separate the storm and sanitary sewers. The contract who will perform this work is W.A. Petrakis. Petrakis was awarded the low bid on the contract during 2014. It is anticipated that work will commence before the end of 2014. Revenues and expenditures are balanced at \$1,032,700.

Bicentennial Fund: This fund was established in 2014 in an attempt to set aside funds to be used to celebrate the 200<sup>th</sup> anniversary of the incorporation of Wilkins Township in 2021. Revenues are currently transferred from the General Fund. The amount transferred in 2014 was \$7,500 and that is the amount budgeted to be transferred in 2015. The budget is currently \$15,000.

There were no comments from the Board of Commissioners.

The meeting adjourned at 6:56 PM.

Respectfully submitted,

Rebecca Bradley  
Secretary