

**BRIDGEVILLE BOROUGH  
BUDGET WORKSHOP MEETING  
NOVEMBER 22, 2011  
6:00 P.M.  
425 BOWER HILL ROAD  
BRIDGEVILLE, PA 15017**

**MEMBERS PRESENT:**

Council President,  
Nino Petrocelli, Sr.  
Council Vice President,  
Michael Chiodo  
Council,  
Mary Weise  
Jason Sarasnick  
Joseph Colosimo

**ALSO PRESENT:**

Borough Manager, Lori Collins  
Police Chief, Chad King  
Fire Chief, William Chilleo

Bruce Ghelarducci – entered at 6:13 p.m.  
William Colussy – Absent  
Mayor, Donald Dolde - Absent  
Solicitor, Richard Ferris - Absent

The Budget Workshop Meeting is called to order with the pledge of allegiance and a moment of silence for the sick, handicapped, departed and military personnel of the community.

**ROLL CALL**

**VISITORS, PLEASE STATE NAME AND ADDRESS**

No Visitors

**GENERAL BUSINESS**

**2012 PROPOED BUDGET REVIEW**

Manager Collins then proceeded to review the 2012 Proposed Budget - All funds.

**GENERAL FUND**

The 2012 General Fund Budget with the current Millage contains projected Revenues and Expenditures of \$2,445,282. Projected General Fund balance at year end 2011 - \$1,228,000 with \$500,000 earmarked as Tax Anticipation Funds and an additional minimum of \$200,000 to be earmarked for sanitary sewer repairs as user fees will not cover expenses facing the community at this time as mandated by the Federal Consent Order. The 2012 budget includes contractual wage freezes for all departments for the year ending December 31, 2012 and a 15% of deductible employee contribution to the medical expenses.

### Revenues

Anticipated current real estate property taxes remained steady throughout 2011 with delinquent collections on task and monitored regularly. The re-assessment of 2012 provides an uncertainty with re-assessment years lending to appeals throughout the year. It will be uncertain to determine the actual valuation of real estate revenues throughout 2012 until the appeal process takes its course. 2013 should lend to a better valuation of actual real estate tax values. With that being said, I have mirrored the same budget numbers for current and prior year real estate tax collections but have decreased the Liened collections considerably as we are collecting these taxes before they are to be liened.

Local Enabling Tax collections remain consistent with emphasis now looking to the future consolidated collections to begin in January 2012 by Jordan Tax and the impact this will have on our community. As a member of the Tax Collection Committee, our organization feels that after the initial changeover the implementation of the state mandated employer withholding should prove to be an asset to the municipal revenues. I recommend that we continue to utilize the Central Tax Bureau for the collection of Business Privilege and Mercantile Taxes as a change of collector on these items could prove too risky at this time. The Local Services tax collection should be moved to Jordan Tax as employers withhold this along with the Earned Income Tax and should be sending these disbursements to the same collector. Line item 310.510 Local Services Taxes has been budgeted again reflecting the \$52 implemented a few years ago proving to provide a revenue increase of approximately \$51,000. I have again taken into consideration individuals earning \$12,000 or less and are thus exempt from this tax. As a note, the Borough will receive \$47 per individual, school district \$5. Again as was last year, interest income has also been spiraling downward with interest income budgeted at \$2,100.

Foreign Fire Insurance revenues have been budgeted at \$30,119 reflecting amounts received in 2010 and State Pension Aid has been budgeted at the 2010 level at \$80,870. I have been notified by the Department of the Auditor General that the significant increase the pension and foreign fire insurance allocations have received in 2011 is a one-time event that will not re-occur in the future; in fact it has been stated that it is very possible that the amount of aid in subsequent years including 2012 may be less than the 2010 amounts budgeted at this time. We have no way of knowing the actual funding amount until September 2012. This unknown is one of the many reasons that we have requested a wage freeze for the 2012 budget year as the General Fund obligation to the police pension fund for the year 2012 is approximately \$24,000 over the state funding anticipated to be received. The police pension obligation will continue to be withheld at the maximum 8% contribution per Act 600.

Line item 380.101 Miscellaneous Insurance Reimbursements reflects \$15,000 from anticipated workers compensation and liability insurance premium rebates.

Line Item 390.101 Sanitary Sewer Fund reimbursements reflects clerical and public works wages. Sanitary Sewer clerical wages reflect delinquent collections and have been increased due to the increased time spent on this task since the changeover to PAWC. We have received notification that the PAWC will formally discontinue municipal sewage billing as of October 1, 2012. We will have our billing in place as the software purchased to upgrade our refuse billing in 2010 also included an updated sewage package. Public Works and Clerical wages have also been calculated and charged to the Garbage Fund line item 390.106.

Expenditures

With Real Estate, Earned Income Tax and state aid revenues uncertain in the year 2012; the finance committee and I have made an effort to cut expenditures without cutting essential services to our residents.

The legislative expenditures have been lowered approximately \$5,700 with wage freezes in place, line item expenditures reduced and the Seven Springs conference costs removed.

The Personnel Administration line item 406.156 Hospitalization/Major Medical Ins. reflects a 49% increase in premiums which means an approximate increase of medical insurance expenditures of \$90,000 for 2012. We will move to a Health Savings Plan in January 2012 with the employees' contributing 15% of their deductible. This contribution by employees will total \$7,200 and will be applied to the health insurance premiums. As this contribution does help, we still must budget \$82,800 in anticipated additional medical premiums for the 2012 budget year. Workers comp premiums reflect current activity and experience modifiers.

Line item 407.750 reflects a final year payment of \$6,000 for updated computer software and support for the administrative offices. Line item 407.751 has been lowered. We will work to creatively cut newsletter costs in 2012.

Line item 409.121 reflects a savings of \$7,200 as Public Works must continue the custodian duties due to the budget constraints.

All line items reflecting electrical costs have been lowered as we are experiencing lowered rates since we changed our supplier to First Energy and increased savings with the implementation of the LED Traffic Signals. Street lights alone revealed a savings of approximately \$12,000 last year. We will strive to continue to upgrade our lighting to continue to reduce these costs.

Line items within the police department reflect a wage freeze in 2012. I am respectfully requesting that the police car approved for the 2012 budget year be purchased in 2011; as the 2012 budget cannot handle this expenditure.

A motion was made by M. Weise, seconded by B. Ghelarducci authorizing the purchasing of a Police Car in 2011. All in favor, motion carried 6-0.

Line item 410.127 reflects a budget increase of \$5,400 to \$45,800 for the three part-time police officers at the current rate of \$15.00 per hour as more coverage will be required due to Officer Lancia's injury. Various line items within the police budget have been cut with the Mayor's conference also removed from the expenditures for 2012. Line Item 410.762 Equitable Sharing reflects seizure monies received in 2008 and the \$11,362 balance pending.

Line item 411.200 remains at \$10,000 for the year 2012. An increase of \$1,602 for fire department gasoline costs has been included as it was under budgeted last year.

Line item 415.450 is budgeted at \$1,500 to retain Roberta Sarraff as our Planning Consultant; a decrease of \$500. These monies will only be utilized should we request her services.

Public Works Department reflects a wage freeze with the temporary summer manpower expense of \$4,400 removed from the 2012 budget.

Line item 432.245 reflects our 125% maximum salt purchase for the year at a new contract price of \$55.83 per ton. Our salt usage submittal is 800 tons with 80% of the 800 tons required to be purchased. I have budgeted for the largest anticipated use of 125% although my thoughts are that we will not utilize this large amount. Better to be safe than sorry and over budget as this line item is quite unpredictable.

Line item 438.262 is budgeted at \$10,000 for the Allegheny Together Program with services including grant monies for local businesses to continue until September 1, 2013. Line item 438.600 includes the Borough match for the PennDOT handicapped ramp project. The project budget is \$52,682 with municipal match required of \$5,703. This expenditure should be due in 2012 as the ramps have been scheduled to be replaced in the spring. Tree removal has been budgeted in the amount of \$4,000 to address dangerous tree issues within our right of way. Line item 438.602 includes monies budgeted for the turn around and guide rail at the Liberty Street Extension area so that residents may again access the front of their properties. These monies were part of the settlement agreement and monies received in 2011.

Park expenditures have been budgeted to maintain services throughout the year. No large projects have been budgeted for 2012.

Line item 471.400 has been lowered to \$0 as we do not have the funds available to pledge monies at this time to a capital purchase.

Police and Public Officials Liability Insurances are expenditures that are hard to anticipate this year due to the legal issue encountered in 2011. I have budgeted my best estimate for the year 2012. I am hopeful that these insurance expenditures will not exceed budgeted amounts. That information will not be obtained until the renewals in March and June 2012.

Line item 480.354 Police Pension reflects MMO calculations with an increase in police contributions to 8% to the police pension account and the \$24,000 of General Fund monies owed. The police pension contribution will be reassessed in September 2012. It is required that we remit funding under the Commonwealth Minimum Municipal Obligation (MMO) Calculations. Line item 480.353 PMRS Non-Uniformed Pension also reflects this obligation.

### **SANITARY SEWER FUND**

As we embark in the ninth year of the Consent Order, estimated costs as anticipated continue. I have included a pro-forma recommending a \$1.00 per 1,000 gallons of water usage increase for Councils' consideration. In addition, Alcosan has made the determination that they will raise their rates 7% in 2012. Mandated point repairs have been included in the amount of \$253,763 along with payment to PennDOT for the McLaughlin Bridge Sanitary Sewer Relocation

Project. With the budget presented, we will be utilizing \$218,059 of the cash on hand in the sanitary sewer fund

**REFUSE FUND**

The Refuse (Garbage) Fund rates remain steady in 2012 and reflects the contractual event signed with Waste Management in October 2007 through December 2012. No increase is recommended for the 2012 budget year. We will re-bid the service in September 2012.

**CAPITAL IMPROVEMENTS FUND**

I have provided cost estimates of the Streetscape Project to be bid in January 2012 with a notice to proceed March 1, 2012 weather permitting.

**LIQUID FUELS FUND**

The Liquid Fuels Fund will end the calendar year 2011 with a balance of \$25,000 as our 2011 Road Program was completed under budget. 2012 funding from Liquid Fuels will total \$101,033. I have budgeted \$126,133 for the 2012 Road Program this budget year including the McMillen Street Project.

**PROPOSED ORDINANCE NO. 965**

A motion was made by J. Sarasnick, seconded by M. Weise approving Solicitor Ferris to prepare Ordinance No. 965 and Manager Collins to advertise the same; an ordinance amending the current rates charged for sewer service within the Borough of Bridgeville with the Allegheny County Sanitary Authority increase of an additional \$0.28 per 1,000 gallons of water usage and a \$0.59 per quarterly Alcosan bill increase of the service charge. The Finance Committee is recommending an increase in the Borough rates of 1.00 per 1,000 gallons of water usage to meet Consent Order Repair requirements.

	<b><u>2011 Rates</u></b>	<b><u>2012 Rates</u></b>
ALCOSAN Rate:	\$4.04 per 1,000 gallons	\$4.32 per 1,000 gallons
Borough Rate:	<u>\$2.50 per 1,000 gallons</u>	<u>\$3.50 per 1,000 gallons</u>
Total	\$6.54 per 1,000 gallons	\$7.82 per 1,000 gallons
ALCOSAN Service Charge	\$8.48 per bill issued	\$9.07 per bill issued

All in favor, motion carried 6-0.

**PUBLIC HEARING ADVERTISEMENT**

A motion was made by J. Sarasnick, seconded by M. Weise authorizing Manager Collins to advertise a Public Hearing on Monday, December 12, 2011 at 6:30 p.m. to review Proposed Ordinance No. 965; an ordinance regarding the 2012 ALCOSAN and Borough sewage rates. All in favor, motion carried 6-0.

**PROPOSED ORDINANCE NO. 966**

A motion was made by M. Weise, seconded by B. Ghelarducci authorizing Manager Collins to advertise Proposed Ordinance No. 966; an ordinance fixing the Tax Rate and levying Borough Taxes for the Fiscal year 2012 and re-enacting all other revenue acts. All in favor, motion carried 6-0.

**FINAL COMMENTS**

Manager Collins stated that with the increase in expenditures and the leveling of revenues, we as always will continue to maintain a tight budget by aggressive but fair collection policies and the control line item expenses pending unforeseen circumstances.

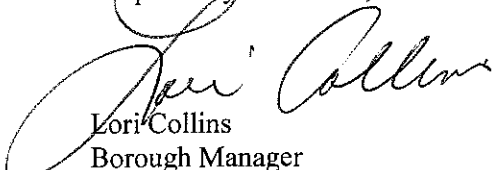
As always, I thank all Councilpersons for their help and support over the past year and look forward to a financially sound New Year.

P. DeBlasio stated that as the sewage rates are being raised, he would like Council to look closely at the large Sanitary Sewer Projects scheduled in 2012.

**ADJOURNMENT**

A motion to adjourn was made by J. Colosimo, seconded by B. Ghelarducci. All in favor, motion carried 6-0.

Meeting adjourned at 6:53 p.m.  
Respectfully Submitted,



Lori Collins  
Borough Manager