

WILKINSBURG BOROUGH
Council Budget Work Session
September 17, 2014

CALL TO ORDER

President McCarthy-Johnson called the meeting to order at approximately 7:02 PM in Council Chambers, second floor of the Municipal Building, 605 Ross Avenue, Wilkinsburg, PA.

ROLL CALL

The roll was called to establish a quorum. Present were Ms. Macklin, Mr. Shattuck, Ms. Granneman, Mr. Lefebvre, Ms. Moore, Ms. Garrett, Mr. Tatiana, Ms. Trice, and President McCarthy-Johnson. Borough Manager Marla P. Marcinko was also present. Mayor John A. Thompson was absent. A quorum was established.

PLEDGE OF ALLEGIANCE

Following the pledge of allegiance, a moment of silence was observed to remember victims of violent crime.

Ms. Marcinko opened the discussion by informing Council the figures that are being presented are preliminary budget figures and she will talk about process and the review of revenues only. Preliminary expenditures on all other funds will be presented by the middle of October. Revenues will be updated by Friday and any other changes after that time will be denoted on a spreadsheet and will reflect the preliminary amount, what the manager's budget reflects, and the variances. It was explained that actual amounts change as figures are updated and also due to current expenditures. Consistency and accuracy are important factors and are constantly under review. The cover sheet for each fund reflects balances and will change as projections change. A new account has been added under real estate taxes to track revenue receipts from MBM Collections, LLC. Receipts from Portnoff Law Associates will cease.

Mr. Lefebvre asked that Council members review the budget beforehand and submit questions to Ms. Marcinko to allow time for her review and to prepare a response for the upcoming budget meeting. Ms. Macklin asked about the \$75,000 for the next three to three and one-half months of collection of delinquent taxes. Ms. Marcinko explained the number reflects a projection (guess) and added that on the expenditure side there is a comparable projection (guess) for commission with the addition of an account for MBM Collections, LLC. Figures will be updated monthly.

Act 511 Taxes – Ms. Marcinko referred Council to the account most noteworthy 310.202 Delinquent Tax Collection. She noted budget figures for 2011-2012 are significantly higher due to the change under Act 32 and decreased delinquencies, with collection agencies performing a much better job with current collections. She believes a trend will be recognized with collections at approximately \$25,000. Mr. Egler commented because of Act 32 the Borough has been budgeting for about a two percent increase overall.

Licenses and Permits – Ms. Marcinko talked about the dual purpose of a budget document in providing financial data and forecasting and the importance of its use as a planning document. She referred to the former Code Enforcement Department Director Sean Gramz and his proposal to Council for a license fee of \$100 per unit for rental properties. President McCarthy-Johnson believes licensing will allow for better safety of units. Mr. Taiani views the license fee as a duplicate fee and commented that as a property owner there is a responsibility to pay fees imposed for tenancy changes, property taxes, and business privilege taxes. Ms. Macklin asked what the cost of a rental inspection is when there is a change in tenancy. The cost is approximately \$25.00. Mr. Taiani suggested using the tenant registration listing as a tool to check residents that pay personal income taxes. Ms. Macklin suggested adding the amusement tax as a source of revenue to the discussion in October due to a lack of enforcement. Ms. Marcinko commented as a follow-up to Mr. Taiani's discussion about the current inspection process to include a requirement that whenever there is a change in occupancy a new inspection must be conducted. Mr. Shattuck believes the discussion is necessary and suggested inclusion of amounts of license fees and permits charged by other communities for comparisons.

Ms. Marcinko informed Council of the differences in the amounts of franchise fee payments from Comcast and Verizon. Due to Verizon having a greater presence in Wilkinsburg the fee payments have increased from \$25,000 to \$30,000 and Comcast fee payments have decreased from \$50,000 to \$45,000.

Fines and Forfeits – Ms. Marcinko noted fines for State Police violations were down from prior years for 2013 and 2014 with the same holding true for magistrate fines. Mr. Taiani asked if the fines reflect actual dollars received or fines imposed and not collected. The response is the amount reflects actual dollars received.

Interest Rents – There was a significant drop from year-to-date to the 2015 Budget. The cell tower that had been located on the Municipal Building roof was decommissioned by the owner. The revenue source is now non-existent which had been approximately \$3,000 per month. Ms. Grannemann asked if there is a possibility for another cell tower from a different company. The possibility does exist due to the Borough having received solicitations for cell tower placements. Ms. Marcinko will look into this. Ms. Macklin expressed concern about the cost to remove with the response the company was solely responsible for the cost of removal.

355.000 Intergovernmental Revenues – Ms. Marcinko noted there is nothing of significance in this category. She further noted under the category General State Pension Aid the figures reflect an estimated amount based upon 2013 unit value. The Borough relies upon the state for the unit value for 2015. Usually the unit value is received by mid-October and at that time the actual amount is factored in for the update. Ms. Marcinko reiterated the unit value is based upon prior year unit value. Ms. Grannemann asked if the pension figure is an in and out number with the response no because the state aid does not cover the minimum municipal obligation (MMO). The State Aid is booked coming in to the General Fund. Amounts are then transferred out under expense into the Pension Reserve Fund under Revenue and then the entire expense of MMOs are budgeted. There is approximately a \$75,000 difference between state aid funds and the Borough MMOs.

362.000 Department Earnings- Police – Council have discussed Police Department Special Detail and Ms. Marcinko commented the process will be handled a little differently this year. The account was intended only as a booking account for the monies contractors pay for the Borough to provide off-duty

police officers for traffic control, movies, and street closures. The accounting for special assignments are recorded by officers on their timecards as special detail. Ms. Marcinko explained there is no direct correlation to the receipt of the revenue for special detail for the contracted services. The expense is reflected in the account special detail but there is not an additional amount that will be budgeted for this particular revenue. FBI/OT Reimbursement is a new line item this year (line item was recorded in the budget last year with no monies budgeted) and is the salary/reimbursement the Borough receives. The account reflects monies received for participation in the County wide task force.

Ms. Marcinko explained the former Code Enforcement Department Director had electronically created a process that should have recorded receipts and booked directly to a particular account that never worked. Due to the error as an example a recording for a building permit was not necessarily recorded in that particular account. Ms. Marcinko further explained that maybe next year there will be a better understanding of what is what. Invoices are printed with UPC Codes and receipts should automatically be recorded in a particular account. Presently, bookings for receipts are being recorded manually by the Finance Department.

President McCarthy-Johnson asked about 362.407 Tree Permits and if a fee has been established. A tree permit fee has not yet been established by ordinance by Council. Permits would be issued for plantings and/or removal. Mr. Taiani asked if a permit will be required for tree trimmings with the response that Council will have to establish guidelines.

Department Earnings – Highway – No significant report.

364 MSF Fees – The Borough has a breakdown of account information between Portnoff and MBM Collections, LLC. The amounts are an estimation until there is better data. Ms. Macklin asked about tax certification and asked if delinquent tax collectors pay a share to the Borough of the tax certifications received. Payoff letters are issued but tax certifications are not done by delinquent collectors and no fees are charged. Ms. Macklin asked if there are taxes owed does that have to be settled at the sale with the answer being yes.

Miscellaneous – Ms. Marcinko reported Council will recognize a significant change on projected year end 2014 refund for current year expense. This is a reflection of payment received from WCDC for their share of the cost of trash receptacles already ordered. Ms. Macklin noted the increased amount of applicants for school crossing guards due to the advertisement by Channel 11 News.

395.00 Other Funding Sources – Ms. Marcinko reported her uncertainty about the transfer from Liquid Fuels Fund but the projected year end amount will be o.k. A budget amount needs to be entered so that Council can understand how the number is determined. The amount of money received for Liquid Fuels less what is needed to spend on salt with the balance being what is transferred from Liquid Fuels to the General Fund to pay a portion of street lighting. Types of expenses paid out of the Liquid Fuels Fund is kept at a minimum because it makes for an easier audit. Liquid Fuels Fund 30 is street lighting and salt. The cost of salt has increased to almost \$73.00 per ton from a little over \$50.00 per ton. Last year two thousand two hundred fifty tons of salt was used over the winter season. Two hundred tons is currently in stock.

A transfer from the Sewer Fund is currently without a number but will be available in the document for Friday, September 19, 2014.

Grants – There have been a lot of accounts that had been included in this account that will be deleted specifically projects that have closed. There is an addition of the 2014 JAG Grant with a grant amount of \$18,215.00 and an expense account for that. The proposal is for surveillance cameras at \$7,000 each. Total expense is projected at \$28,000 with an amount under \$10,000 for local share. Discussion by Council at a prior meeting regarding Ferguson Playground Project will be budgeted to capital improvements and monies extracted from the General Fund. Cash balance forward will be inserted in the document Council will receive on Friday, September 19, 2014.

Ms. Grannemann asked if there are any grants pending. Ms. Marcinko responded there may be DCED monies available for update of the Subdivision and Land Development Ordinance. It is doubtful there will be any funds through DCNR from the most recent award. The Borough will re-attempt funding for CITF monies for Hay Street and for a joint pumping station with Churchill Borough. Monies are not budgeted unless funding is expected.

Ms. Macklin announced an Open House at ALCOSAN on Saturday September 20, 2014 from 9:00 a.m.-4:00 p.m. Ms. Grannemann reminded Council about the upcoming House and Garden Tour to be held on Saturday, September 27, 2014 from 10:00-3:00 p.m. Ms. Garrett announced hosting of a Community Conversation planned for Wednesday, September 24, 2014 from 6:00 p.m.-8:00 p.m. at Eastridge Library. Advertisement flyers are located on the ledge in Council Chambers.

Ms. Moore provided the Public Library Report and informed Council about RAD Programs beginning on September 24, 2014. There are a lot of fall children's programs sponsored by the Public Library from September 16, 2014 through December 16, 2014. Advertisement flyers are on the ledge in Council Chambers. She announced other informational advertisements about library programs are available on the ledge. An Adult Library Program is also available.

Mr. Shattuck talked about a follow-up meeting that will be held 9:00 a.m. on September 30, 2014 at the PCRG offices in Hope Square.

Ms. Grannemann announced that on Monday, September 22, 2014 Pittsburgh Symphony Orchestra will be performing "Songs of the Spirit" at Deliverance Church in Wilkinsburg at 8:00 p.m. Ms. Grannemann saw a review of the program and described it as quite wonderful.

Ms. McCarthy-Johnson announced Wilkinsburg home football game at Graham Field on Saturday at 1:00 p.m.

Pitt Makes a Difference Day is October 18, 2014. There will be about forty students participating in clean-ups throughout the Borough divided into two groups. A partnership is being developed with Three Rivers for tree plantings and clean-ups on that day. Clean-ups will be done on Penn Avenue and the busway corridor. WCDC is participating in the project.

President McCarthy-Johnson asked Council if a ribbon cutting ceremony can be set up for Ferguson Park/Playground unveiling on October 17, 2014.

Mr. Shattuck reported his attendance representing Wilkinsburg at the DCED Road Show hosted by the COG.

Kate Luxemburg talked about property sales and collection of delinquent taxes on the sale and Portnoff processing of same. (Portions of Ms. Luxemburg's conversation was inaudible). Ms. Marcinko responded she had a meeting with MBM Collections, LLC earlier in the week and informed Council there was conversation regarding that issue and there is a reason why sales were postponed. The primary problem was the Borough could not have Portnoff proceeding with their processing of sales of properties while the Borough was in process of changing/selecting another delinquent tax collector. The question was raised as to the best way for these type of decisions to be made. Ms. Marcinko reminded Council about the Joint Committee on The Administrative Process to Reclaim Vacant Properties that was established by Ordinance Number 2802. She suggested to Council that by having representatives on the committee from the Borough and Wilkinsburg School District; and added there should be a representative from the County (that has not happened), to utilize that governing body to start making decisions related to vacant property tax collection etc. Meetings were scheduled by the committee to meet the fourth Monday of the month at 5:30 p.m. Responsibility to meet is with the members of the committee that include president of both bodies, finance chairperson of both taxing authorities, business manager and manager of both taxing authorities and a representative from the County.

President McCarthy-Johnson informed a resident about the meeting not being a regular meeting and there was not a Public Comment session. A complaint was received about Ramsey Street and parking accessibility for residents living in the area near the busway and parking overflow from Port Authority Park-N-Ride.

ADJOURNMENT

There being no further business, President McCarthy-Johnson adjourned the meeting.

Vanessa McCarthy-Johnson
President of Council