

WILKINSBURG BOROUGH
Council Budget Work Session
October 1, 2014

CALL TO ORDER

President McCarthy-Johnson called the meeting to order at approximately 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. Trice, Mr. Tatiana, Ms. Garrett, 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.

BUDGET REVIEW - EXPENSES

President McCarthy-Johnson turned the meeting over to Ms. Marcinko and Mr. Egler, Finance Director. Ms. Marcinko informed Council the same review process will be followed as with the review of revenues. The process will be performed by reviewing department numbers. Ms. Grannemann asked if the packet has updated department numbers. It was explained the packet is identical to what was emailed last week.

General Government – Council’s account. There has not been any changes from the current year. Mr. Lefebvre commented the goal is to minimize expenditures and maximize revenues for Year 2015. He suggested the account that Council may be able to eliminate is 01400.460 that has a \$5,000 balance and is listed at the bottom of page eight. The account is set up for meetings and conferences for Council members only. It was suggested since the entire allocation has not been spent, and as a compromise, to lower the amount budgeted in the account. Ms. Macklin asked if there was anything Council can do without. Ms. Marcinko stated the account for the National Association for Black Mayors has not been paid in a while. She stated she didn’t know if the Mayor is currently a member. Ms. Marcinko read aloud the accounts that have been paid this year that included ASCAP, Association of Mayors of Boroughs, TCVCOG, PSAB, and African American Chamber of Commerce. Ms. Macklin asked what PELRAS is and it was explained by Ms. Marcinko it is the Public Employers Labor Relations Advisory Service. The Borough receives for membership in PELRAS a set number of free hours for special labor consultation and a discounted hourly rate for the Borough’s special labor counsel. The Borough also receives discounted registration fees for the annual conference which is held in March. There is a tremendous benefit to the Borough for membership in PELRAS. Ms. Bahn attended her first conference this year and found that it was very beneficial and informative. Ms. Moore asked about the

Pennsylvania Borough Council with the response from Ms. Marcinko she will have to check if dues are being paid. Ms. Macklin asked about receiving Allegheny County Borough Magazine and if there is anything else the Borough receives. Ms. Marcinko explained Council can designate a delegate to the Pennsylvania Borough Council and that different legislation is lobbied of benefit to Boroughs and meetings are held quarterly. It was stated by Ms. Marcinko that she doesn't know if there is a representative from the Borough. She commented that if there are Council members interested in becoming delegates it would be a good idea. Ms. Moore commented the magazines are interesting and knowledgeable for serving on Council.

Workers' Compensation Premium – Ms. Marcinko informed Council the numbers are not final and the tremendous impact this account can make in the bottom line of the budget. The premium is anticipated to increase from \$284,000 this year to \$327,000 a fifteen percent increase. The increase is primarily attributable to loss runs and experience. It is hoped this is a high estimate provided by the Borough's carrier and the numbers will decrease. Mr. Egler provided the payroll cost required for the insurance company to provide a rate. Personnel costs and losses are looked at to develop a rate. It is hoped the rate will decrease. Last year rates went up in November and numbers had to be changed. Health and medical insurance items i.e. vision and dental, life insurance, AD &D and the service charges remain the same. The drop in cost was experienced with the health insurance component PPO Blue premium. The rate dropped approximately by .8614. President McCarthy-Johnson asked if other providers have been researched and commented this is a good time to look due to issues between Highmark and UPMC. Ms. Marcinko responded she serves on the Board of Trustees with Municipal Benefits Services that used to be M.E.I.T. and the fact that there is a lot of historical data and paying attention to what is happening with other insurance companies and rates. In looking at what is happening some companies are experiencing increases as high as sixty percent in this year. Ms. Marcinko explained benefits are purchased through a trust company and was previously fully insured with Highmark. Within the past year a pool was established and have become self-insured. The trust is creating its own rates and using its own actuary and has been able to continue to offer very competitive rates as a result of the restructuring effort.

Contracted Services 401.352 –it was noted the Borough considers this as a very good resource and has subscribed to Lexus-Nexus a service where the Borough can assist with Act 90 work. The service enables performing searches on people that will provide information about personal possessions such as types of cars, assets, properties owned throughout the United States. Interesting information has obtained about some delinquent tax payers that the Borough has not been able to find. An adjustment to the budgeted amount of \$100.00 to about \$50.00. Charges are determined by the number of searches performed. There is a different pricing schedule for each type of search. The type of search used most cost the Borough about thirty-five cents. The number will be adjusted to help the budget by about \$600.00. Ms. Grannemann asked if the \$1200 amount will be adjusted to \$600.00 with the answer being yes. Ms. Macklin asked if the new delinquent tax collector will be searching for delinquent taxes. The primary purpose of the searches the Borough will perform will be to look for people and their assets to hold people accountable for code violations, delinquent taxes, etc.

402.000 – Ms. Marcinko asked Council if they wanted Mr. Egler to explain his staffing structure with Ms. Grannemann answering yes. Mr. Egler talked about staff salary and his recommendations for the Finance Department. He recommends change referencing the Clerk II position to part-time and hiring of a full-time administrative assistant. Over time he suggests cutting part-time wages in half. The

administrative assistant would assist Mr. Egler and become cross-trained in some of the other jobs for a more efficient department. Ms. Macklin asked if the title should be an assistant supervisor to enable supervision of other staff and alleviate Mr. Egler's involvement in some of the day to day activities he is involved in. The scope of work and essential functions for the Finance Department should be comparable to other administrative assistant positions in other departments. Ms. Marcinko further noted supervision is a responsibility of an administrative assistant. It was cautioned the Clerk I position does not have a provision in the collective bargaining agreement for permanent part-time positions. This may be a matter for negotiation with the union. Mr. Taiani asked how the salary amount was determined and the valuation. He asked if part-time positions at some point in time will be phased out. An evaluation was performed several years ago for the administrative assistant position with a salary range of \$45,000-\$50,000 annually. The \$42,000 salary for an administrative assistant in the Finance Department is below the salary range. Ms. Macklin talked about the title of an administrative assistant and her interpretation as not being a technical person. Ms. Marcinko talked about Council not wanting an appearance of heavy management at the top. She explained as an example Ms. Bahn's title of administrative assistant instead of assistant borough manager which are her primary job functions. President McCarthy-Johnson expressed her primary concern is whether or not Council wants to move forward and not so much with discussion about titles. Ms. Moore believes Mr. Egler needs the help in the Finance Department.

402.112 – Mr. Lefebvre asked if anyone has issues or concerns about this account. Mr. Taiani asked if the original numbers shown with a deficit is inclusive of \$42,000 or in addition to that number. The number reflects an increase in current staffing levels in the Finance Department. The increase is approximately \$15,000. Ms. Garrett asked if full-time positions will be reduced to part-time. The response from Mr. Egler was no, instead of, for an example, two part-timers there would be one and the expense cut in half. Ms. Garrett expressed she is in favor. Mr. Taiani asked if the \$42,000 is inclusive of benefits. Ms. Garrett expressed she is in favor. Mr. Taiani asked if the \$42,000 is inclusive of benefits or exclusive of benefits. President McCarthy-Johnson referred Mr. Taiani to account 01-402.194 on the next page of the handout under the topic healthcare. Ms. Grannemann noted salary increased about \$16,000 and benefits approximately \$3,000. She further noted this does not reflect a \$42,000 increase. She referred to the departmental changes as being smaller numbers. Mr. Lefebvre noted salary increased approximately \$15,000.

403.000 – Ms. Marcinko referred to account 403.451 and the collection of delinquent taxes. At this point in time there are not any specific numbers to report. It was reported under Refunds there are not any specific numbers to report. It was noted a significant improvement in comparison to Year End 2013 even to 2014 actual and the 2015 Budget amounts reflects this. Mr. Lefebvre discussed with the Wilkesburg School Board to utilize Keystone Collections to collect real-estate taxes and business privilege taxes instead of Berkheimer. He believes there is a possibility the change will help to increase revenues.

404.000 – This account does not reflect significant change as reported by Ms. Marcinko for Civil Service cost in the projected year end. There is a plan for updates to the rules and regulations in 2015. Ms. Macklin asked if special counsel will continue with the response from Ms. Marcinko this will continue as the norm. Ms. Marcinko commented there are a number of matters that remain outstanding. Ms. Macklin asked if the amount of \$4,000 a month is for the solicitor and what is being done for that amount of money. Ms. Marcinko referred Ms. Macklin to invoices that itemizes types of services

rendered. It was noted Council receives copies of the invoices. Ms. Macklin commented about the totals spent for counsel.

407.000 - Mr. Taiani talked about the \$1600 spent on anti-virus software and \$1500 for spam. He assumes most computers used are a Windows Platform with the response being yes from Ms. Marcinko. Mr. Taiani informed Council that Security Essentials is provided free of charge from Microsoft that does everything the two programs do. Ms. Marcinko will check with the consultant if use of Security Essentials is an option. Mr. Lefebvre asked if it is absolutely necessary to replace seven computers budgeted for replacement. Ms. Marcinko will check with Mr. McAfee.

Ms. Grannemann asked about category 407.396 and 407.398. Ms. Marcinko answered she will address the note under item 407.396 because the annual fee for land management and annual fee for financial revenue management had not been separated out in detail and is an expense being paid each year to Freedom Systems. It was explained with the hiring of an in-house IT person the cost of \$1200.00 per month may be eliminated. The fee is paid to Freedom Systems to service computers, answer questions, and set up new computer systems. Ms. Marcinko talked about 407.398.01 and the cost under this sub-item as a cost the Borough may be able to avoid with the hiring of an in-house IT person. Potentially salary expense for an in-house IT person is budgeted under \$49,200 and benefits in the amount of \$14,400. Mr. Taiani referred to 407.398 and the item postage machines and expenditures of \$200 per month. He suggested purchase of a machine for about \$1,000 instead of paying monthly rental expense. He stated the machine would probably last for a couple years before an update would be needed. Mr. Taiani questioned the copier rental and suggested purchase of a copier machine and service plan at a reduced cost of the price for leasing. Mr. Egler talked about being aware of rate changes with leasing of machinery.

408.000– Ms. Marcinko referred to and noted engineering anticipated fees for emergency demolition are included in the projected year end figure. An additional \$7500 above what is spent on a monthly basis is included in the year end projection. President McCarthy-Johnson asked if there is a possibility of using other engineering firms for services at reduced costs. Ms. Marcinko informed her Council has the ability to send out requests for proposals at any time. Ms. Marcinko stated she has never seen a lower hourly rate than Glenn Engineering.

408.319 - Ms. Grannemann asked about engineering traffic and what the additional \$15,000 is for. Ms. Marcinko explained the accounts for special engineering services, engineering mapping, and engineering traffic has never had anything posted and those accounts were eliminated.

409.000 – 409.356 Cleaning Services and discussion about costs associated with services for a large older structure. **409.373** monies had been budgeted for interior painting, elevator repairs and carpet replacement. Those accounts have been eliminated. There was discussion about painting and flooring for the elevator. President McCarthy-Johnson talked about the Police Department back door and the need for repair. The problem is with key cards and use of a key would eliminate the problem. There is a problem with seeing into the Police Department when lights are on but the inability to see out of the office. Mayor Thompson commented the door is antiquated and glass block may be an option. Ms. Garrett asked if there are cleaners at the Eastridge Branch of the Library with the answer being yes.

410.000 Contracted Services – Mr. Lefebvre suggested under staffing to remove line twenty-seven. Ms. Marcinko noted new officers included in the department budget is not included in this number. This item reflects number twenty-three as the compliment of officers. Part-time officers are accounted for by the number of hours. Ms. Marcinko explained the manager's budget will reflect officer vacancies for three officers.

President McCarthy-Johnson asked about responses for School Crossing Guards. It was noted there was a large response. Ms. Grannemann talked about setting a cap of hiring thirteen crossing guards to save approximately \$35,000 as opposed to recruiting nineteen guards. There are sixteen intersections to cover with two guards at each. After some discussion Ms. Grannemann asked that her recommendation be changed for a savings of \$17,000. Mayor Thompson suggested leaving the expected recruitment at nineteen crossing guards to eliminate a shortage of crossing guards especially at intersections where there are a large number of students and require two guards. It was noted by Mayor Thompson the goal to hire nineteen guards have not been reached.

Mr. Taiani talked about the fifteen mile per hour flashing signs in school zones not always working and ignored by drivers. He suggested designating the area to Rebecca Avenue near Kelly School as a school zone and issuing citations for those who speed through the area.

Ms. Marcinko reported the proposed K-9 officer, new vehicle maintenance program, and an IT consultant were eliminated. Mr. Taiani asked if police vehicles are being leased or owned. It was explained several vehicles are under lease purchase agreements and the 2009 vehicles were purchased. President McCarthy-Johnson asked about 358.000 Animal Control. She asked what the account is for. It was explained the account is the monthly fee charged to capture dogs running at large. Ferree Kennels provides the service. There was discussion about feral cats and raccoons and the need for solutions to address the problem.

Mr. Taiani talked about police vehicles and his belief that for the department size sixteen vehicles is excessive. Ms. Moore asked how many vehicles are operational presently. Mayor Thompson explained in managing the fleet of vehicles two officers are assigned each vehicle. It was further explained by Mayor Thompson that there is always service being performed and specifically mentioned tire changes to give a general idea of ongoing service to vehicles. The parking enforcement vehicle has not yet been received. Mr. Lefebvre referred to 730.000 and asked if the \$5,100 is designated for lease payment for a parking enforcement vehicle; a new vehicle in addition to existing ones that adds to the fleet of sixteen. Mr. Lefebvre asked about the vehicle sitting at the train station that belongs to the Police Department and Council was informed by Ms. Marcinko there is a vehicle sitting at Culgan's. Mayor Thompson questioned if titles have been received for those vehicles with the answer being no. Ms. Bahn reported the vehicle at Culgan's has had major mechanical work and is in need of an inspection and new tires. It was suggested that vehicle become a parking enforcement vehicle by removing lights and police insignia which would make it appropriate for non-police officers to drive. The vehicle at the train station has been there since February and needs inspected. Mr. Lefebvre expressed he is not in favor of leasing a parking enforcement vehicle considering the number of Police Department vehicles. Two vehicles were acquired by drug seizure and returned to the Police Department. Mr. Lefebvre suggested to eliminate 410.730.03 for lease/purchase of a parking enforcement vehicle. Mr. Lefebvre mentioned 410.750 and talked about alert software and asked if the purchase is necessary. Ms. Moore asked about purchase of a sofa and chair in the locker room and if it is necessary. There was discussion about other various

furniture items listed for purchase for the Police Department and the question if all of the items are necessary. Ms. Macklin mentioned the meeting with the City about the current contract and clarified the Borough should participate in the Risk Watch Program and the smoke detector program. These items were included in the contract for the past four years.

Ms. Marcinko talked about Mr. Friedson and his budgeting under item number 414.314 Demolition in the amount of approximately \$97,000 for that purpose. Legal fees were also budgeted for blight and abandonment. Those items were cut from the budget. Mr. Lefebvre suggested that Council consider associating some monies for the aforementioned purposes. Ms. Macklin asked if Council is considering floating another bond. Ms. Marcinko answered if Council determines how payment for debt services will be met. Other funds will be discussed at the meeting scheduled in November. Ms. Marcinko reminded Council bond proceeds can't be used for demolition projects unless the demolition is part of specific redevelopment.

Mr. Taiani suggested Council consider to eliminate 01-414-460 Meetings and Conferences on page twenty-eight. This account is for Code Enforcement. Ms. Grannemann asked to look at 427.000 and if Municipal Service Fees cover \$930,960.00 with the answer being yes. Mr. Egler performed an analysis for comparisons. Mr. Lefebvre talked about cost of recycling and if outsourcing the service should be considered. If MSF is increased \$50.00 this will increase revenues by \$237,000 as a point of reference. Mr. Taiani talked about rental properties and addressing payment for having multiple tenants and payment of only one Municipal Service Fee. For additional revenue he believes Council should address this issue.

Ms. Marcinko informed Council that is unrealistic to continue the belief that the Borough will be able to cover the difference in the expense and revenue every year without a millage increase. In 2004 the millage rate was increased from .10 mills to .14 mills. That was the last millage rate increase in Wilkinsburg by the Borough. Mr. Taiani talked about Wilkinsburg improvements overall and his opinion that what is least needed is for the Borough to increase its tax rate due to the Borough already having the highest tax rate in the County. Increasing revenues for the Borough is a goal that Council must consider even if it means a tax rate increase by one point as emphasized by President McCarthy-Johnson.

Ms. Marcinko talked about a significant change in a line item for deleting a lease payment for a street sweeper. President McCarthy-Johnson commented she would like to see the item placed back in the budget as a priority.

433.375 Ms. Grannemann questioned the increase in traffic signal maintenance from this year to next year. The monies budgeted for this year were not spent.

434.000 Street Lighting - President McCarthy-Johnson talked about the street lighting on Braddock Avenue and changing the face of the area and her request to install the same lighting on Penn Avenue in Wilkinsburg Business District.

436.000 Ms. Macklin talked about increased diagnostic services/vactor services. Ms. Macklin asked if this item should be reduced from \$18,000.

455.000 Mr. Shattuck talked about the investment for safety repairs and relying on public works for maintenance.

Mr. Taiani talked about 2014 trimming of trees and if the cost was paid for by the electric company with the answer being the work was paid for by the electric company. Mr. Taiani asked about trees and the difference in an amount spent of \$2,000 and cost of \$19,600 spent for removals and pruning this year. It was explained by Ms. Marcinko the budgeted monies of \$20,000 will be spent by the end of the year.

471.000 And 472.000 Ms. Marcinko talked about a refinancing in the amount of three million dollars back in 2011. For a new three million dollar refinancing the principle amount is \$325,000 and interest in the amount of \$133,000 each year is the debt service for a new three million dollar refinancing. It was noted there is a difference in approximately \$140,000 due to a loss in a credit. Ms. Marcinko explained the process of an artificial credit to both principle and interest for three years. Now that the debt has been re-paid the credit amount is gone.

486.000 The figures are estimates and it was advised to anticipate a fifteen percent increase. Ms. Marcinko is optimistic the estimate is very high and the numbers can be backed down closer to November. Ms. Moore asked an explanation of “umbrella” and Ms. Marcinko explained it as coverages over and above coverages of all policies. Mr. Taiani asked if the automobile section include police vehicles and questioned if there was an elimination of any number of vehicles would there be a savings. Ms. Marcinko responded that coverage is inclusive of all vehicles in the Borough’s fleet and if there was an elimination of vehicles the Borough would recognize a savings.

495.000 This item reflects an increase in the Minimum Municipal Obligation (MMO). Mr. Taiani asked if new hires could be offered another benefit option such as a 401(k) with Ms. Marcinko answering by state legislation minimums have to be provided.

Ms. Grannemann commented she hopes there is a bigger conversation regarding generating more revenue and the possibility of raising taxes.

Ms. Marcinko informed Council that for other funds those numbers are due to Council by November 5, 2014. On October 23, 2014 Ms. Marcinko will provide to Council other fund numbers for discussion on November 5, 2014. The manager’s budget will be provided to Council along with changes to each account from preliminary numbers on the 7th. If there are questions please let Ms. Marcinko know. An Executive Session to discuss personnel issues will be held next week on Wednesday.

ADJOURNMENT

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

Vanessa McCarthy-Johnson
President of Council

