

**BOROUGH OF GREEN TREE
COUNCIL MEETING
NOVEMBER 30, 2011**

Call to Order

Green Tree Borough Council met on Wednesday, November 30, 2011 at 7:05 p.m. at the Green Tree Municipal Center, 10 West Manilla Avenue, Pittsburgh, Pennsylvania.

Roll Call

Members Present:

Mark Sampogna, President
Daniel Behanna
John Novak
Janine Palmer
Ron Panza
Edward Schenck (arrived 7:15 p.m.)

Also Present:

W. David Montz, Borough Manager
Kary Rahner, Public Works Director
Babette K. Legler, Finance Director
Deborah N. Gawryla, Stenographer

Absent:

C. F. Hammer, Mayor
Arthur Tintori

Continued Discussion of the Proposed 2012 Budget

Mr. Montz presented three new options for consideration in addition to the original proposed budget he had presented to Council at the November 28th meeting:

Option 1: This option takes into consideration the estimated 5% windfall from the county's reassessment when it happens. It would provide a \$100,000 increase in real estate taxes with an increase of 2.2 mills. There are cuts throughout this budget, but not as many as with the other two options.

Option 2:

No real estate tax increase and larger budget cuts to all departments.

Option 3:

No tax increase and no budget cuts, but this option uses reserves to balance the budget.

Mr. Montz said that the county's recent webinar on the reassessment had been vague and had not provided much information. Mr. Montz said that he came away from the webinar with the impression that the Borough would be unable to send out real estate tax bills on March 1. Mr. Montz has been unable to find any information on when the county's reassessment will take place, but he was certain that reassessment is supposed to take place at the same time countywide. Mr. Montz was concerned about sending out the real estate tax bills at a later date, possibly at the same time as when the school district taxes are mailed because this could place a burden on the taxpayers who would have to pay both tax bills around the same time. Additionally, the county's tax bills could also be delayed until after the reassessment is completed and sent in the same time period.

Mr. Montz said the Borough could consider sending out a preliminary tax bill at the regular time (March 1) and then send a corrected tax bill once the reassessment takes place, but he was afraid this might create even more confusion.

Mr. Montz hoped that the new earned income tax (EIT) collection system would be successful. Since Jordan Tax Services has been selected to collect the EIT for the city as well as Green Tree, they have promised that the Borough will get any monies collected from the city or other communities they service within 72 hours of collection.

Mr. Montz went through the budget and noted the line items that would be reduced if Options 1 or 2 were adopted. The categories that were not reduced were items, such as crossing guards, garbage collection, traffic signals, bond payment, etc., where the exact amounts were known and set and could not be reduced.

Borough Council & Mayor: Reduce Conference/Seminars and Grants/Donations.

Administration: Reduce Part-Time Wages, Professional Services, Ordinance Codification, and Conference/Seminars.

Financial Administration: Reduce Copier Maintenance/Supplies and Equipment Maintenance.

Police Department: Increase in Traffic Enforcement. Reductions in D.A.R.E. Wages, Public Safety Supplies, Crime Prevention/Awareness, Computer, Office Supplies, Gasoline/Oil, Miscellaneous, Radio Equipment Repairs, Travel Expenses, and Capital Expenses (bullet-proof vests). Mr. Montz said that the entire amount in the Police Car Purchase line has been dropped to \$0 in 2012 since there will not be a police car purchased next year.

Fire Protection: Reductions in Fire Protection Supplies, Fire Protection Equipment, and Vehicle/Equipment/Maintenance.

Planning/Zoning/Code Enforcement: Reductions in Computer, Miscellaneous, Professional Svc./Consultant, Emergency Management, and Conferences/Seminars.

Public Works Department: Cuts in Street Signs/Paint/Tools, Supplies, Road Construction Materials, Miscellaneous, Equipment Rental, and Contracted Work/Road Repairs.

Snow and Ice Removal: Reduction in Mechanical Equipment.

Tool and Machinery Repair: Cuts in Vehicle Parts/Supplies and Vehicle/Equipment Maintenance-Repair.

Swimming Pool: Reduction in Pool Equipment, Contracted Work and Special Activities.

Parks and Public Property: Cuts in Supplies/Materials/Repairs, Utilities, Contracted Work, Playground/Park Equipment, and Capital. Mr. Montz said that all parks had been mulched and all safety zones were completed this year. A new product that will last longer in the parks is being researched. Residents have approached the Borough about purchasing benches in the parks in a person's honor or memory. Mr. Montz said this could be considered as a way to save money on the benches in the parks.

Library: Reduction in Professional Services, Conferences/Seminars and General Allocation. Mr. Sampogna said that the library could possibly see a future increase in the RAD funding.

Community Development: This is a one-line item that was reduced, although Mr. Montz said it was still important to get the word out about what the community does.

Intergovernmental Expenditures: COG Dues reduced. Mr. Sampogna suggested that the change in sewage billing might be an item for the COG to address. Mr. Montz said he would

like to have a meeting with managers from other communities who also need to find other sewage billing possibilities.

Mr. Panza said he would like to see two line items changed in the budget: Increase the Special Activities Fund from \$50,000 to \$55,000 and reduce Road Repairs from \$444,000 to \$400,000. He felt it was not necessary to repair roads that are basically in fairly good condition and \$400,000 should be sufficient for road repair in our small Borough. Mr. Panza said that he was pleased with Option 2.

Mr. Panza said that there could be the possibility of rethinking Octoberfest this year it might not even be held this year while it is being redesigned. This would not mean that Octoberfest should be permanently removed from the budget, but is merely on hold. Likewise, the Borough should put some road repairs on hold until all the uncertainties with the reassessment and the earned income tax collection have been answered and the Borough can then determine how much money will be available for road repairs. Mr. Panza said that – like the Borough Manager had stated at the beginning of the budget review – these are tougher times and some luxuries and extras need to be cut. Mr. Panza said that there will still be roads in poor condition that will be repaved and repaired, but repaving or micro-surfacing roads that only have a few cracks or bumps should be considered a luxury in this economic climate and a less than perfectly smooth road surface is something that residents can live with. Mr. Panza said that even a \$10,000 reduction in road repairs would be satisfactory and should not make a difference in the long run.

Mr. Montz felt residents would be more upset about a road that was not paved than going to Octoberfest. Mr. Panza said that other activities than Octoberfest could be cut under the Special Activities line. Mr. Lindsey, Councilperson-elect, said that Council shouldn't worry about the individual line items that can be worked out later, but they should be looking at the various overall budget options and decide which option they would like. Mr. Montz said that amounts could be shifted as needed and the actual cost of paving could end up being less when the bids come in. He gave some other specific examples of possible repairs and items whose amounts could be shifted to different funds. He said the paving line also includes repairs on curbs where residents have requested repairs and catch basins needing repair throughout the year. Discussion continued regarding which items that have been reduced or eliminated in the proposed 2012 budget options would most likely resurface in the following year, increasing the bottom line later.

Mr. Behanna felt that the Borough needed a long-term plan. Mr. Montz said that the budget or any other long-term plan is only a projection or estimate of what is anticipated to be needed, but there are always unexpected things that happen that can change these projections. Discussion continued regarding the variables that can alter the budget.

Mr. Schenck said he felt that Option 1 was too speculative because the Borough does not know yet what the county is doing with the reassessment. Option 3 should not be considered because the Borough should not dip into its reserves. Mr. Schenck said that Option 2 is a possibility that would require some belt-tightening. Mr. Schenck said he was still in favor of the original budget with a 0.65 mill increase.

Mr. Sampogna said that private businesses can increase their costs and change their budgets as needed with a moment's notice, but the Borough does not have that option. There are a lot of variables that cannot be predicted. Discussion continued regarding the problems with long-term budgeting and projections.

Mr. Sampogna said that putting a cap on the business privilege tax has resulted in the need for a tax increase. Mr. Panza said that if Council chooses to go with a tax increase it should not go halfway, so they can avoid having to raise taxes again next year. Mr. Montz felt that Option 1 was realistic because the Borough will most likely get the windfall from the reassessment next year. Discussion of the county assessment continued.

Ms. Palmer felt that residents would pay more for their luxuries and that was evidenced with the outcry to prevent the closing of the local elementary school when residents said they would pay more to keep it open. She felt that could be considered as much of a luxury as the many services residents have come to expect from the Borough. She said that cutting services is never a good idea. She felt that although Option 2 is livable; Option 1 is the best bet.

Discussion continued regarding how to estimate tax revenue when the assessment amount and the earned income tax collection success rate are still unknown. Mr. Montz said that it would be possible to establish millage based upon a backwards-type equation with the total amount needed to operate the Borough indicated. When the assessment values are obtained, the millage could be filled in to balance the budget and accurately provide the amount needed to operate the Borough within that amount. Other communities have determined their millage in this way, although Mr. Montz felt that most Green Tree residents would not want that uncertainty in their taxes and would prefer to have a millage number provided. Discussion took place regarding how to determine an accurate millage rate.

Mr. Panza said that approximately 89% of all communities throughout the state are raising taxes this coming year. Mr. Montz said that locally Bethel Park, Mt. Lebanon, Scott Township, Cranberry, Upper St. Clair and Whitehall are just a few of the local communities planning to raise taxes. Review of the various budget options continued.

Mr. Montz felt that the numbers he has presented would hold up. They can be tweaked slightly as needed, but Council needs to determine which option they prefer. Mr. Montz did not feel that the Borough should cut back on its paving program. He said that additional budget help would come in a few years when the bond can be refinanced. He would work on providing long-term options for Council to review. He said he did not want to see Green Tree go downhill in the long run and to avoid that from happening there should be a price to pay to live in this Borough, just as there is with other communities. He said that several other communities in the area already have a higher earned income tax rate. Mr. Montz said he would prefer either the original budget or Option 1 be adopted as the 2012 budget because of the uncertainty in the earned income tax collection process and the county's reassessment.

Mr. Panza asked if all the options would be presented at the public hearing. Mr. Montz said that the public hearing is to hear opinions on the proposed increase in millage. There will not be an ordinance at the meeting to adopt a budget or millage rate; this will be done at a later meeting after Council hears from the citizens and makes a decision on what direction they wish to take. Mr. Montz said he would also talk to the Solicitor about the possibility of creating an ordinance adopting a budget based upon the mathematical formula he had described earlier.

Mr. Montz said that if his original budget with the 5.0 millage rate was adopted and the new assessment came in higher than anticipated, Council could hold another meeting and decide to reduce the rate. When asked, Mr. Montz said that monies left over at the end of the year are moved to the Capital Fund.

Discussion continued regarding the various budget options and items that were reduced, cut or increased with each option. Mr. Montz asked Council to send him e-mails with the line items they are interested in changing in the budget.

ADJOURNMENT

Mr. Panza made a motion, seconded by Mr. Behanna, to adjourn the meeting at 8:55 p.m.

Motion carried unanimously.

Mark Sampogna, President

W. David Montz, Manager

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