

TOWNSHIP OF ALEPPO
BOARD OF COMMISSIONERS
WORKSHOP MEETING MINUTES
OCTOBER 14, 2013

CALL TO ORDER:

Vice-President Edward K. Beaman called the meeting to order at 7 PM with the Pledge of Allegiance and roll call. Those in attendance were Commissioners Joanne Schollaert, Clayton Steup, Rodney W. Gartner, Solicitor Christopher Lovato and Manager Gwen Patterson. President Linda S. Vescio and Secretary Martha B. Rogers were not in attendance.

2012 AUDIT-MARK TURNLEY:

Mr. Turnley gave the Board Members two letters this evening dated October 13, 2013. One letter has a sub-title of Significant Audit Findings which is a required communication. It tells of any issues of the audit. The second letter is a management letter where recommendations are listed for internal control.

Pages 1 and 2 is the Independent Auditor's Report. Their opinion again this year is an unqualified opinion which states the report is in conformity with the rules and regulations of the profession with no deviations.

Pages 3 through 13 is the Management Discussion and Analysis section which is written by Manager Patterson as she assesses and summarizes how the Township has done for the year. This enables comparison with previous years also. It is reviewed by Mr. Turnley.

Regular Page 3 is a balance sheet of various pots of money that the Township has. It shows the balance in the General Fund, Construction Fund and Non-Major Funds. Non-Major Funds is three funds. It is the Highway Aid Fund which is money for road purposes, Infrastructure Fund and a Capital Improvement Fund. A breakdown in the detail of these funds is in the back of the report in Schedules 3 and 4.

Page 5 at the bottom indicates Net Change. For 2012 revenues were in excess of expenditures of \$228,522.00. Fund balance for 2012 is \$1,212,745.00 which is a 23 per cent increase over the previous year. Construction Fund is also indicated. A decrease is shown in this fund because the project was being completed.

Budget versus actual is on Page 7. Earned income was over budget by \$100,000.00. Public Works Highways was over budget in this category. \$82,000.00 was spent on a

capital project. There is a transfer in of \$82,000.00 from the Capital Improvement Fund to pay for the highway expenditure.

Pages 8 and 9 indicate Pension funds. Police pension increased by \$62,200.00. That is a little over 10 per cent increase. Non-uniform increased \$12,646.00 for the year.

The financial statements section is in the middle part of the report. This section explains what numbers contain. It discusses assets and debt service and guaranteed sewer revenue bonds.

Vice-President Beaman thanked Mr. Turnley for his presentation.

MINUTES:

There was no discussion on the September 18, 2013 Legislative Meeting Minutes or the September 30, 2013 Special Meeting Minutes.

2014 MILLAGE RATE:

Manager Patterson stated she does not believe the millage needs to be increased from 4.0. The budget was developed at keeping the 4.0 mills for the coming year. Commissioner Schollaert asked, since we have a considerable bank balance, is there any possibility of lowering the millage. Commissioner Gartner said he also would like to do that but there are pending legal issues which could be considerable. Commissioner Steup said he would also like to reduce the millage but he also does understand the upcoming issues. The insurance company is reviewing coverage at this time. Manager Patterson can run the figures again at 3.5 mills to see what those figures would be.

Commissioner Steup asked how many reassessments are still pending. Manager Patterson said they are all residential. They are coming in but are not significant numbers.

Commissioner Gartner asked as new properties go onto the tax rolls, how does that affect tax income. Manager Patterson said if it is vacant land, the owner pays taxes. Once a home is built and gets an occupancy permit, the County assesses it at its full value which is passed onto the tax collection agency. They send a bill for a partial year after construction.

PROPOSED BUDGET-2014:

Manager Patterson will run comparative figures at 3.5 mills for the Board's review. Manager Patterson gave the Board Members a draft budget that was based on 4.0 mills. There are unconfirmed figures highlighted in yellow. Snow removal is a figure that's needed. Also, property insurance is highlighted. Because we are now owners of the pump stations, they will be insured by the Township.

Earned Income Tax has increased. Local Services Tax will remain the same. Interest earnings are low. Sewer costs are not shown in our annual budget. Some of the figures for legal and engineering will appear. President Vescio has asked that a two per cent increase show in salaries. Health insurance premiums increased by two per cent. Vision and dental decreased by nine per cent. Legal fees should remain the same. Volunteer Fire contributions will remain the same. Capital outlay of \$20,000.00 in the Public Works budget is a continuation of the vehicle replacement program. \$40,000.00 is budgeted for paving. Some paving is coming out of Township funds. \$185,000.00 is allocated in the 537 Plan category. \$100,000.00 is the second payment of the four years of the tap in to Sewickley. \$25,000.00 is to cover wrap-up engineering costs associated with the DEP lead provision of the 537 Plan. \$60,000.00 is budgeted for the 537 Plan legal costs associated with the lawsuit filed by Masonic Village. That number depends on insurance coverage and how the lawsuit goes.

Commissioner Gartner asked if the insurance is covering all the expenses. Manager Patterson said it is covering all of the legal defense expenses that are filings related. The insurance company is covering the bulk of the expenses.

Debt service is \$20,660.00 which covers year four of the five-year loan for the Public Works building.

We have about \$115,000.00 in the infrastructure fund which was the sewer project fund that we had allocated money separately into. She transferred the \$100,000.00 in to close out the one account and use the money that was set aside. It will leave \$15,000.00 in the account.

Commissioner Gartner asked if the roads are up-to-date. Manager Patterson said there are still some to be done. We also have Overlook Drive in the Industrial Park. It will be a major expense. The Industrial Park is going to get their engineer involved to begin working on the drainage. A meeting will be set up between their engineers and our engineers in the near future. That will be a large paving expense.

Manager Patterson asks that Board Members review the draft budget and let her know if you have questions or comments. Possible adoption of the budget is set for November.

OLD BUSINESS:

Manager Patterson said she will give everyone a draft of the letter to be sent to Penn Dot regarding the drainage on Red Gate Road and Rhodes Avenue.

Commissioner Gartner asked about the Steinour rezoning issue. Manager Patterson said there has been no discussion since the last meeting.

Manager Patterson said the web site is under way. It is www.aleppotownship.com. It says coming soon and our contact information.

Commissioner Gartner asked where the sewage from Masonic Village goes. Manager Patterson said Dave Coldren of KLH gave her a map earlier today. It shows the new construction but does not show all of the Masonic internal lines. The Authority is working on mapping at this time. It will probably be available later this week.

Commissioner Schollaert asked about an e-mail that came from Eric at Masonic Village regarding some candidates reserving a room. Manager Patterson said that is new. It came to her via e-mail on Friday afternoon which she distributed to the Board.

NEW BUSINESS:

Commissioner Steup reported John Jakiela's mother passed away. The Board asked Manager Patterson to send flowers.

Manager Patterson said the COG Dinner is this Wednesday evening. Commissioners Schollaert and Steup will be attending along with Manager Patterson. Commissioner Steup said the second recycling day is November 2, 2013 at the Sewickley Borough Building.

Commissioner Gartner said there will be three people running for Commissioner this election. One of the issues will be the sewer project and the legal action. Our current members are going to be restricted in what they can say. Manager Patterson spoke to Solicitor Stone. He said he will be here next week and will be glad to go over with the Board the things that they are free to discuss. Solicitor Lovato said generally it is do not speak to anyone about what the attorney has told you. That information is privileged.

CITIZEN PARTICIPATION:

Mrs. Lannie Gartner, Masonic Village said there is a patch of road outside of Masonic Drive that is sinking. Public Works Supervisor said the Water Authority replaced some valves there. They left it down an inch and a half. Within the next week or two, they will be milling the top off to repave.

Mr. David Cranston asked about the lawsuit. Solicitor Lovato said Masonic is suing the Township at this point. The lawsuit challenges the way the rate was calculated and the rate in general. There are other causes of action. The Township has filed objections which is an early attempt to dismiss the lawsuit. There are multiple claims including constitutional claims against the Township. Masonic feels the rate was calculated incorrectly and they are trying to get it reduced.

Mr. Cranston said since there are two of our Board Members living there, why are they ignorant of how the rates were calculated. Solicitor Lovato said that is a major issue. It should have been addressed while the rate was being developed. This will issue take a long period of time.

ADJOURNMENT:

Commissioner Steup made a motion to adjourn the meeting. Commissioner Schollaert seconded. The motion passed unanimously. The meeting was adjourned at 7:42 PM.

Respectfully submitted,

Martha B. Rogers
Township Secretary