

Patterson Township Board of Commissioners

Special Meeting

September 27, 2017

The Patterson Township Board of Commissioners held a special meeting on Thursday, September 27, 2017 at 7:00 pm at the Municipal Complex, 1600 19th Avenue. The purpose of this special meeting was advertised to discuss the budget, along with any other general business. Following the call to order, roll call showed Commissioners Policaro, Inman, Bradow, Mahosky, and Hoover present.

Minutes: The minutes and the deletion of the electronic recorded minutes of the meeting held on Thursday, September 14, 2017 were presented for approval. Motion was made by Mr. Mahosky; seconded by Mr. Inman approving as presented. Passed unanimous.

Public Comment/Visitors: none

Treasurer's Report: none

Monthly Bills: none

Engineer's Report: none

Solicitor's Report: none

Committee Reports: Fire – Mr. Hoover presented the following reports:

Rescue Truck Preventative Maintenance – Mr. Hoover advised a report was provided to the Board by Mr. Inman with information regarding the ISO certification and the refurbishment of fire trucks. It was previously requested an e-mail be sent to Mr. Michael Foreman, who is attending the meeting this evening, to discuss the ISO rating and how the age of the fire truck impacts the rating. Mr. Hoover advised in his research, he found the age of the fire truck does not impact the ISO rating. Mr. Inman agreed. The pump size of the truck was a concern, gallons per minute that was pumping through our truck and the size of the pump, could potentially be undersized. Mr. Hoover questioned Mr. Foreman as to if he had any information that could help the Board as they consider the options, whether to refurbish the truck in relationship to its pump size or purchase new, should we consider the size of the pump and the gallons per minute strictly in the name of ISO rating. Mr. Foreman explained he can speak generically relative to the cost benefit and feasibility analysis in regard to the advantages or any disadvantages to purchasing rather than refurbishment. With regard to the ISO rating and the technical specifications, it is a little beyond his realm of expertise. Mr. Foreman offered to consult with his fire science consultant. Mr. Foreman stated the report provided by Mr. Inman gives good valuable information regarding the ISO rating, the process and how it is derived and an analysis of replace vs. refurbishment. Mr. Hoover requested his fellow commissioners, if they have any questions in regards to refurbishment verses the purchase of new to ask the questions now so Mr. Foreman can collect the information and provide the Board with his findings. Stating the Board needs to discuss whether to move forward with the bidding of refurbishing the 2000 Pumper Truck or to look into trading the truck in on a new truck, seeing what kind of value we get and what the cost

would be or to sell the truck outright or trade it in on a used piece of equipment that would be newer than the 2000 Pumper Truck. Mr. Inman explained our ISO rating is a five (5), which is middle rating; one (1) is superior, ten (10) is does not meet any criteria. Mr. Inman explained, according to ISO, our current class five is based on us having two (2) pumper engines. Mr. Inman questioned if we have two engines. Mr. Hoover explained we use the Patterson Heights engine as an engine that is within the Township meeting the mileage for ISO certification. Mr. Inman stated the Fire Department is up for ISO recertification next year and was advised by ISO if we do not have two pumper trucks our rating could possibly fall to a ten, does not meet any criteria, due to the size of our community. Mr. Inman further explained he was advised by ISO, if we purchase a new truck it should have a 1750 gallons per minute and 150 psi and should be tested regularly and the results recorded. Mr. Inman explained we would need, with the County and the Municipalities, an automatic aid statement, which is a prearranged first response. Mr. Inman further explained having an automatic aid statement could possibly increase our ISO rating as well. Mr. Inman reviewed the analysis he conducted in regards to refurbishment verses purchasing new:

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|----------|-----------|-----|-----------|-------------------------------|
| | Repair | vs. | Replace | (for 20 years at 4% interest) |
| at | \$180,000 | | \$550,000 | |
| cost/yr. | \$ 25,714 | | \$ 33,905 | |

| | | | | |
|----------|-----------|-----|-----------|-------------------------------|
| | Repair | vs. | Replace | (for 25 years at 4% interest) |
| at | \$180,000 | | \$550,000 | |
| cost/yr. | \$ 25,714 | | \$ 27,124 | |

Mr. Mahosky question if a new truck would affect the ISO rating. Mr. Inman explained it would probably not affect the ISO rating unless the pump is a larger pump. Mr. Hoover added as long as the truck and the pump has been certified at 1750 gallons per minute and 150 psi regardless of the age of the equipment it will maintain the ISO rating, not improve nor deteriorate. Mr. Hoover added he believes our current truck pumps the 1750 gallons per minute and maintains a 150 psi and is certified each year for ISO certification. Mr. Hoover will follow up to verify this is accurate. He continued, stating the fire department currently has a mutual aid agreement with the neighboring departments and for that reason Patterson Heights is considered our second engine. Mr. Inman stated there is a difference between mutual aid and the automatic aid statement, which is a written agreement placed with the County stating any time we are called out they are called out at the same time. Mr. Hoover advised that is the current practice. Mr. Forman advised in regard to agreements between intergovernmental departments they can be as formal as a legal document or something less formal. Ms. Hurst question the current practice of dispatching Patterson Heights. Mr. Hoover explained the current practice is a call is received at the 911 center, the 911 center then, based on the instructions of the Fire Chief, call out the departments listed on the instructions. Currently on a first alarm, for all structure fires in Patterson Township, Patterson Township Fire Department and Patterson Heights Fire Department are dispatched. Mr. Forman advised it appears it would give strength and be proactive to all the parties to have some type of written formal document being adopted by all parties which solidifies the working relationship for all parties and gives cause to ISO to show some formal action has been taken by the parties. Mr. Hoover stated in 2018, as we are up for review for ISO certification, at that time the fire department will communicate directly with them and if there is a need to have something documented in writing, we will proceed forward at that time. Ms. Hurst recommended, if it is determined the documentation is necessary, putting into place a mutual aid agreement similar to what has been done in the past with the ESU and Anti-Drug Task

Force, which are passed by Resolution. Ms. Hurst suggested not pursuing the intergovernmental cooperation agreement as those would need to be advertised, etc. Mr. Policaro requested to discuss the issue at hand, whether to buy or repair. Mr. Hoover stated he is currently gathering information at this time and to discuss at a later date. Mr. Policaro questioned the longevity of the truck upon refurbishment. Mr. Hoover advised, his understanding to be, it would add fifteen (15) years to the life of the truck. Mr. Hoover continued explaining the Fire Chief is not necessarily interested in purchasing another used truck not knowing what that truck has been through, how many idle hours are on the truck, what kind of water has been pumped through the truck nor is he necessarily interested in purchasing a new truck due to the engine that is in our current truck verses the engines in the new trucks. Mr. Hoover further explained the Fire Chief feels the engine in our current truck is much more reliable then the new engines and has detailed information to support this reasoning. Mr. Policaro questioned how soon Mr. Hoover and the Fire Chief could return to the Board with a recommendation. Mr. Hoover advised he should be able to return to the Board within sixty (60) days. Mr. Hoover advised the monies for this are not coming from the General Fund, there is a Fire Truck Fund set up specifically for this purpose. Mr. Policaro questioned if we were to sell the pumper truck what the market value would be. Mr. Hoover responded he does not have that information at this time. Mr. Forman advised some of the other items to consider with regards to purchase verses refurbishment are the current situation with the pumper truck, is there any warranty left on the pumper truck that if it is refurbished it would continue to be in effect. Mr. Hoover stated the current pumper truck is seventeen (17) years old and is not aware of any warranty on the truck. Mr. Forman questioned even with the refurbishment completed, does it give you a warranty on the upgrades that are done and are the engine, transmission, mechanical parts getting to the end of their twenty year (20) life cycle and if there is any record of repairs made to the truck. Mr. Hoover requested a report to be run at the Township Office for that line item over the history of the truck. Mrs. Keller explained to the Board, our current reporting will not go back for seventeen (17) years therefore not able to pull all the history of repairs. Mr. Hoover is to gather the information from the Fire Chief as to any large mechanical repairs that have been done to the truck or by reaching out to Horn Automotive, Darlington for records. Mr. Forman advised he believes Pennsylvania Emergency Management Organization (PEMA) offers a loan assistance program at a lower interest rate where you can potentially borrow up to \$150,000 with a matching amount. Mr. Forman suggested looking at what a warranty would cover with the purchase of a new truck without the purchase of an extended warranty and with the purchase of an extended warranty.

Fire Department Roof – Mr. Policaro question if the roofing would need to be replaced all at one time. Mr. Policaro advised the way the roof is made it is broken into four or five different sections. Mr. Hoover stated the roof is currently piece milled together and is at the end of its life. The side over the bar/kitchen area is the newest on the building but the rest of the roof is in need of replacement. The roof currently has two to three layers of shingles which will be expensive to remove. The roof currently has several leaks nowm the fire department is patching to maintain. Mr. Hoover advised there is no way to tell how much of the wood underneath is rotten and will need replaced. Once the project is placed for bid, Mr. Hoover explained he anticipates a bid to remove and replace the shingle and a secondary bid at an hourly wage to remove and replace any damaged wood causing this to be a costly project needing to be budgeted for in the 2018 budget. Mr. Mahosky questioned if there was an option of placing a metal roof on top of the shingles. Mr. Hoover replied he would not encourage this route and explained due to the unknown damage underneath the current roof he recommended removing the shingles. Mr. Bradow stated a few years ago he had a roofer, Spearing from Aliquippa, look at the fire department roof and estimated \$23,000 and would like to contact him to find the leaks and fix them. Mr. Hoover

explained the fire department has fixed most of the leaks and are under control at this time. Mr. Bradow would like to pursue contacting the roofer to receive an estimate on what needs done to correct the problems. Mr. Policaro questioned the projected project price potentially to be \$22,000 - \$40,000. Mr. Hoover agreed. Mr. Hoover stated he would be able to draw up the specifications as to the type of shingles, thickness of felt paper, drip edge, and overhang. Mr. Mahosky requested two bids; one with shingles and one with a metal roof. Mr. Mahosky explained if we leave the shingles on we don't pay for the removal or hauling of the shingles cutting down the cost. Mr. Policaro expressed his concern of placing a metal roof on rotten wood. Mr. Mahosky explained the contractor would place furring strips and nail the metal roof onto it. Mr. Hoover stated he understands the concept but is concerned there are rotten rafters. Mr. Hoover stated he will draw up the specification and review them with the Board.

Parks/Recreation/Finance – none

Public Works – Mr. Inman advised he was informed the sewer truck is having problems starting and it was suggested considering the purchase of a new truck. The monies to pay for the new truck would be from the sewer fund. The current truck is fourteen (14) years old. A bid was received to repair the problem with the engine in the amount of \$6,000.

Mr. Policaro questioned financing on the MS4 project for 2018. Mrs. Keller replied she had attended a financial class regarding available funds for the MS4 projects and the finding were in order to receive any funding you would need to project stack to include the MS4 project with another project; for example, park restoration. Mr. Inman recommended starting a capital fund within the street department of \$30,000 to put away each year to fund the MS4 project. Mr. Hoover requested Mr. Foreman to explain the MS4 fines and citation if Patterson Township does not comply with the requirements from the State. Mr. Foreman explained this is a federal environmental protection agency policy that they are delegating to each of the states, in this case the Department of Environmental Protection, to enforce the federal and now state regulations that deal with the treatment of storm water. The municipalities' authorities act was recently amended in the past few years to allow for a storm water management fee. Some municipalities are dealing with this through the creation of or utilizing an existing authority that deals with water and/or sewer treatment to deal with storm water MS4 requirements that a fee is levied upon property owners for the cost to treat storm water with regard to how it is regulated. Communities have to come up with their own funding or it is done through taxation power or user charges for storm water. DEP would address the community for noncompliance by taking the community into court and requesting the judge to issue a consent order. The penalty would come thereafter. Mr. Foreman continued to explain he is not sure what the penalties could be. Mr. Hoover questioned if we could take the MS4 and place it strictly in the Sewer Fund budget because it is water treatment. Mr. Foreman explained it is not sewer, it is wastewater that is treated differently and they should both end up in different places; storm water should end up in streams or rivers. Sanitary sewer should be treated at a sewage treatment facility. Mr. Inman advised we do not have mixed sewers, all the lines are separate. Mr. Hoover stated he sees no alternative but to raise taxes to cover the MS4 cost. Mr. Hoover questioned whether we could put a fee on our sewer bill to generate revenue to cover these costs or raise the sewer rates. Mr. Inman explained if we would add a fee in the same way we do for the fire truck fund, it would be approximately \$3.00 per month added to each resident's bill. Mr. Hoover questioned if we strictly included it with sewer and call it water treatment can we pay to treat the sewer and treat the storm water therefore raising sewer rates to treat all of those waters. Mrs. Keller advised, in her understanding, the sewer fund is strictly for the sewer costs and the storm water cannot be included in the sewer. The MS4 plan is not actually diverting the storm water anywhere it is to

implement raingardens, which is what the monies are going toward in order to stop the sedimentation from getting into our streams and rivers. The program is set up so that we have to meet the DEP required percentage of sediment reduction going into the streams and the rivers. We are able to add a fee to the sewer billing as a storm water restoration fee same as we do for the fire truck fund. Both funds needing to be separate from the sewer money. Mr. Hoover questioned who says it has to be separate. Mrs. Keller advised it was upon the direction of our engineers. Mr. Inman stated this was his understating of the plan as well. Mr. Hoover questioned the solicitor as to why we have to keep the money separate. Mrs. Hurst advised she would need to speak with Mr. Fawcett, but assumes there are regulations and criteria as to what you can use the money for. Mr. Foreman advised his understating is you have to create a separate entity and account for that money separately from any other utility in order to able to levy this storm water management fee onto property owners. Mr. Foreman explained this may warrant the creation of a new entity/authority, under the Municipalities Authorities Act. Mr. Mahosky advised some townships are using user fees based on impervious services on your property. Mrs. Keller advised in speaking with the engineers, the first two years of the program are set up for design and to budget a lesser amount in the first two years and the remaining three years are set up for implementation which would constitute budgeting a higher amount. Chief Stanislawski questioned if the \$3.00 per month fee was added, would that get us to where we need to be at the end of three years. Mr. Inman explained at the end of three years we would have approximately \$90,000 and we need \$75,000 to get started.

Ordinances/Policies – none

Code Enforcement – none

Police/Township Office/COG – Mr. Policaro questioned Mr. Mahosky if there was any updates from the COG. Mr. Mahosky explained there was a meeting last week on tiny houses and how townships and boroughs dealing with ordinance issues. These houses are approximately 200 – 300 square feet, some of them are mobile and are being placed in peoples yards. For example, to accommodate senior citizens who might not live in close proximity to their care giver, these homes are being placed potentially in the care giver’s yard in order to cut down on cost for care; or graduating college students who are not employed but have tuition payments and are returning home and utilizing these tiny homes and when they move out are looking to rent them.

Mr. Policaro questioned Chief Stanislawski as to any reports he has. Chief Stanislawski stated he had nothing and would go through the budget at a later time, advised he reviewed his budget with the Township Secretary and completed his 2018 budget.

Motion was made by Mr. Hoover; seconded by Mr. Mahosky approving **all** Committee Reports as presented. Passed unanimous.

Unfinished Business: none

Township Agencies: Mr. Policaro advised the Board of a dinner being held by the Beaver Falls Municipal Authority at 5:00 pm on Thursday, September 28, 2017.

Communications: none

New/Miscellaneous Business: Mr. Mahosky advised he is receiving positive feedback regarding having cameras installed throughout the Township. Mr. Mahosky advised they are considering cameras to be placed at the top of 11th Street, 8th Street, and Steffin Hill.

Mrs. Keller explained in reviewing the current budget and the budgets in the past, the revenues and expenditure totals do not balance, with the expenditures exceeding the revenue. In the past, the money left in the bank accounts was included into the budget to make it balance. Mrs. Keller continued that in budget training she had attended, this is not the recommend practice in balancing the budget. If the Board wishes to continue with this practice, a line item will need to be added to the budget going forward to include the carryover monies. Mr. Foreman advised unless the budget document adopted has twelve (12) months of revenues that match twelve (12) months of expenditures, the township may need to draw upon the year end cash balance carryover in order to use as a revenue piece to put the budget in balance. The current 2017 budget shows less revenue than expenditures in terms of the adopted budget, it was explained the difference was to be drawn from the cash balance but it wasn't incorporated into the budget. Mr. Forman explained in the practical world of budgeting, revenues and expenses should be even. Mr. Hoover questioned budget report provided as to the budgeted expenditures and actual expenditures; on the report it shows the township spent less actual money than the budgeted amount. Mrs. Keller explained if you compare the expenditures for each year with the revenue. For example, the 2015 General Fund budgeted revenue was 1.2 million and the 2015 budgeted expenditures is 1.4 million. In 2015 for the General Fund we actually brought in 1.2 million in revenue but we spent 1.3 million. Mr. Hoover questioned where the difference in money came from. Mr. Foreman explained the money is pulled from the fund balance of the previous year. Mrs. Hurst questioned is the money in the fund balance allocated to something. Mrs. Keller explained it is the General Fund bank account and PLGIT account that is not included in the budgetary revenue. Mr. Inman stated he has a copy of the final budget report for 2017 which states at the end of the year there would be a carryover of \$135,627.39. Mr. Inman questioned that the carryover amount has been recognized but not entered into the budget. Mr. Foreman stated this is correct. Mr. Hoover question if the \$135,627.39 should be entered into the budget as a revenue. Mr. Foreman explained if we are unable to balance the budget by just including twelve (12) months of revenue that is generated to pay twelve (12) months of expenditures from those revenues coming from January thru December through township operations. Mr. Inman explained we have been noting the carryover but not entering it into the budget in the past years. Mr. Foreman explained when a budget is adopted it should be based upon what you realistically generate within January thru December and what you are realistically going to be able to spend with the money generated from January thru December. Cash carryover fund balances should not be used to balance the budget in the new year because eventually you are catching up with the fact that expenditures will be higher than revenues because you are bringing money in from a prior year every year that cannot support expenses in the new year. The cash carry over should be used for reserve accounts for contingencies and emergencies and to make capital purchases and to try to mitigate any millage increase we would need to make. Mr. Foreman continued to explain at the same time, you don't want to spend all of the money at the end of the year and have nothing left. You do need money to operate for the first three months of the year. Mr. Hoover questioned the remaining moneys left at the end of the year if we transfer them out of the general fund into a capital account this would then balance the budget. Mr. Foreman advised this does not necessarily balance the budget but it gives you the convenience and the opportunity and the luxury of putting money away for future needs as well as meeting existing needs that may have been deferred. You are able to use your twelve (12) months of generated revenue to pay twelve (12) months of obligations. Mr. Hoover questioned, as an example, it is now the end of the year and he has looked at all his leftover monies and placed it where it makes sense, how do

we begin my budget in January without any monies coming in. Mr. Foreman explained, because we are prudent and don't put all of the monies in the reserve accounts. You would save enough to pay for the bills in the first three (3) months, in a sense your own tax participation note that we don't have to pay back. Mr. Hoover states he believes that is what has been going on, it is just the recording of the money that is not shown properly. Mr. Foreman agreed that is what he noticed. Mr. Hoover questioned Mr. Foreman as to his recommendation to record this money going forward. Mr. Foreman suggested that you work with just the generation of twelve (12) months of revenues to be able to meet your twelve (12) months of expenses without having to draw upon any cash carryover at the end of 2017. Mrs. Keller questioned if it is better to not put the cash carryover into the budget at all. Mr. Foreman advised it is best if we can avoid it. Mr. Inman agreed with Mr. Foreman and also stated this is how the First Class Township Code states the budget should be. Mr. Policaro requested at the next work session to review the budget line item by line item.

Mr. Hoover questioned any type of change with the police department as to acquiring patrol of Patterson Heights. Mr. Policaro stated Patterson Township was advised by their solicitor to advertise for contractual police services and we are ready to give them a bid. There are increases build into the White Township contract each year which does not expire until next year. Mr. Hoover suggested presenting a bid with White Township before the expiration of the last agreement. Mr. Policaro advised we will reach out to them mid-year.

Mr. Bradow questioned the unpaid property taxes as to if the Township would receive any of that money. Mr. Foreman advised normally it is turned over the Tax Claim Bureau for them to collect and the Township would receive approximately 94% once collected.

Mr. Bradow questioned the amount we pay in insurance premiums and requested to receive quotes from different carriers. Mr. Policaro explained we currently work with a broker who searches for the best price for insurance and Mrs. Keller has been in touch with them already. Mrs. Keller advised she has received quotes from our current insurance brokers for review.

Mr. Policaro thanked Mr. Foreman for his attendance and advice.

Executive Session: None needed

There being no further business to be brought before the Board, motion was made by Mr. Mahosky to adjourn. Seconded by Mr. Hoover the meeting adjourned at 8:01 p.m.

Respectfully submitted:

Rebecca A. Keller
Township Secretary

Copy: Kenneth G. Fawcett, Esq.
Larry Lennon, Jr., P.E.
Board of Commissioners