

**Union Township Board of Supervisors  
Budget Workshop  
November 17, 2021 @ 5:00 p.m.**

The Union Township Budget Workshop was called to order by Supervisor Heather Daerr at 5:00 p.m.

The Pledge of Allegiance was recited.

Proof of Publication Confirmed

Board Members in attendance by roll call were Chairperson Heather Daerr, Supervisor Richard Lawson, Supervisor David A. Esken and Supervisor Hal Breinig.

Also, in attendance were: Frank Palermo, CPA – Palermo/Kissinger & Associates; Roberta Singer, Secretary/Ass't Treasurer; Karen Brown, Administration; Terri Gladus – Township Administrator.

Absent: Supervisor Charles Trax

**Public Comments:**

Linda Evans Boren, 22 Parkvue Drive, Finleyville, PA 15332  
Wanted to ask that perhaps the Board could provide the local elected auditors a copy of what you are working on. When I was on the Board, we always provided them so that they could follow along so they know where the Board is in the budgetary process and as a courtesy and also I would ask that you have copies for any attendees which we always did provide to attendees to let them know what the Board was doing with taxpayer dollars as it is the taxpayer's money and I would like the Board to consider doing that.

Larry Spahr, 181 McChain Road, Finleyville, PA 15332  
I have a few questions for Mr. Palermo and members of the Board. First question: who currently is the Treasurer of the Union Township Board of Supervisors?

Ms. Daerr suggested that he asks all of his questions and then we can address them instead of being held like a question and answer period.

Mr. Spahr again asked who is the Treasurer of the Board of Supervisors?

Ms. Daerr asked if that was his only question and he stated that he has questions for Mr. Palermo. You can continue with your public comment.

Mr. Spahr asked Mr. Palermo how long have you been helping with the budget for Union Township on an interim basis?

Mr. Palermo said he would defer to the end and all the questions at the end. I am taking notes as we speak.

Mr. Spahr then asked about who is doing the audit and assisting with the audit for Union Township and he is asking for the last couple of years. From 2018 through 2021.

Ms. Daerr stated that he can continue with your public comment.

Mr. Spahr stated that these are questions.

During the course of the budgetary work, has anyone who has assisted with the budget of Union Township, come across an account labeled trust account with Mr. Gary Sweat? And have those numbers been audited. Do you have public monies going into that account and public monies being disbursed out of that account? On a conceptual debit and credit basis? Does anybody have any answers?

Ms. Daerr stated that we are trying to conduct a budget workshop and we value your comment and that they are comments at this point. The Board and I can answer for the Board and we do not want to answer things that we do not fully understand – I don't have the answers. We will get you the answers but this is public comment.

Mr. Spahr stated he wants to follow along while Mr. Palermo is presenting his proposed budget process.

Ms. Daerr asked if that is his only public comment. We do not want to cut you short in regard to your public comment.

Mr. Spahr stated yes and that they are very pertinent questions to what is being done here and what has been done here and why over the last few months and the state of the finances of this Township. Am I not going to get a response?

Ms. Daerr stated that he will get a response and wants to make sure it is correct. You are asking for a legal opinion on things – Mr. Spahr stated that he is not asking for legal opinion. Ms. Daerr thanked him and the conversation was concluded.

Kevin Daerr – 6187 State Route 88, Finleyville, PA 15332

On the Agenda tonight, it lists the Treasurer so that is all settled. Next item – I think Mr. Gary Sweat addressed those other issues at the last meeting regarding accounts. Those were antagonistic questions.

### **Discussion Items:**

Discussion regarding 2022 Budget 3<sup>rd</sup> Workshop –

Just had put before you an updated budget and was passed along to you. It includes an update and we have the information up here on the projector as well.

To review each item and hopefully you have been able to review.

Real Estate taxes have remained consistent with years past as our recommendation.

Additional Act 511 Taxes is a big one with Earned Income Tax we recommend keeping it consistent.

Real Estate Transfer Tax that is the ½% that the Township receives from properties purchased or sold in the Township remain consistent with years past if there is a big sale we remain consistent with the one outline from 2020. Be conservative with that number.

License and permits similar data and income would be our recommendation in the past, magisterial similar in the past.

Foreign fire pretty consistent with the numbers in the past.

LSA Gaming that number we recommend the Township stay conservative that number comes from the casino revenues, then we have the Act 13 impact fee money keeping it consistent with \$100,000.00 with 2021 question have been brought up in the past about when do some of the wells from EQT drilling in the area come into play wont benefit the Township until 2023 because that is a trailing year, what happens is the state adds that up at the end of the year and that next year you receive funding and the other item we have there is 297,000 that is the American Rescue Plan money that the Township believes will be receiving here approximately 11 or 12 months after the first lot of funds have been received so we kept that consistent based on conversations with the Township that it will be the same and that's our recommendation to keep that the same.

Departmental earnings pretty similar in the past the big one being the solid waste benefits fee that makes up 70% of that total number. Any questions?

Then the miscellaneous revenue consists of the streetlights fund and what that is bringing into the Township and that's pretty much an in and out since that is where you pay the utility bills there, so your total revenue what we recommend to be about in the general fund \$1.975 million dollars, that is our recommendation.

Expense items supervisor pay that's fixed there; from last meeting it was recommended to look at the budget without a manager salary, so we cut that for the 2022 project. The auditor fees the Township is yet to receive 2021 auditor bill which is why it looks like there is a jump there but it's pretty consistent.

Tax collection if you are not going to budget for your Real Estate taxes go up since real estate collector is paid on a collection basis no need to see that increase.

The legal fees from the solicitor that number is assuming that it is going to go down, based on recommendations that's the number were going to advise there.

Secretary Treasury position that number is for salary and wages for that and another part time person as well to assist in that role.

General government and administration those numbers are pretty consistent with the one outlier for 2021 being the general administration and that is just moved up into that expense is almost transferred into the salaries and wages of the secretary treasury line item, that is from recommendations from the supervisors that is what we are going to recommend you stick with.

Communications very consistent in the years past.

Engineering you can see the fee is decrease from years past and talking with some of the supervisors it seems some of the projects are nearing an end so hopefully we see that number decrease.

Building and maintenance pretty consistent with years past the building and maintenance here we decreased that number after reviewing the expenses and the reason why because the improvements here have been paid mainly out of grants. Unless anyone is aware of improvements that need done we recommend using a number similar to the 18 and 19 figures. Only expand that budget if additional grants of funding become available.

The police force we went with the contract and we added an additional \$20,000 in additional costs, I know the Township now has an agreement for an additional shift, we were not sure what the supervisors wanted to do with that so we added twenty thousand dollars to the budget to see if any of those costs would carry over in the new year, I believe it was for a trial basis for an additional shift so that's the number we have in the budget that's assuming all four payments are made during the 2022 calendar year.

Fire department we have budgeted for similar numbers in the past and we see that being consistent we don't see the state slashing the funding above so that should only be a pass through on the Township side and that is what we recommend going with.

Code Enforcement we have \$20,000 there based on an average of the last couple years, similar with zoning looked at the average of the last couple years it's a minimal expense to the Township but we need to budget for everything we have.

Wastewater it services the really relate there we budgeted for nine grand based on the averages.

The public works is the next block the DCE likes to see based on last meeting and other discussions in that \$180,362 that is the salary and wages for three individuals based on the contract that you have with the union. I know the board made a resolution to hire up to two just in to balancing the budget we recommend going with three you can add more if you want or less if you want that's the number we are looking at based on your

contract that does include overtime, we always budget for overtime with the road crew because we all know it comes about 100 hours annually that is what we budgeted for so that includes a full 52 work week plus 100 hours of overtime and that's overtime for each employee. All the other ancillary expenses that come with the road crew now the one item of note is that the Township does owe EQT for paving a road and that will come out in 2021 in 2022 the Township will not pay that and that was brought to our attention so that is out of the budget, but in the general fund we do not have any road improvement budgeted besides regular maintenance done on recommendations from your guys that is what we recommend going with.

Culture and recreation we see an additional expense needed for the parks because some of the operating costs will be increased with the improvements made to the park this year obviously comes with some caring costs, so we recommend the Township budget for that.

Payroll tax that you have is approximately \$23,316 in payroll taxes so that includes the 4 ½ employees that we budgeted for that I spoke of above and with that is the pension as well we budgeted for that so that is inclusion of all the individuals there. Next is insurance Ms. Singer provided me with all the actual figures for 2021 so we included an increase there for 2022 so the insurance will go up, so we recommend the Township budget for there.

Your total expenses go down 1.8 million in total expenses in the general fund. That is what we recommend what the Township pay based on prior years and based on couples years of working the budget for the Township.

Next Mr. Lawson if you don't mind looking at liquid fuels on page 9 Coal Bluff Rd. is the expense there based on a quote provided by Harshman Group, I am not sure how long that quote is good for that is the quote we have received and then up above your income we've reduced your income in a similar prorated percentage as it was reduced in 2021 based on tax dollar collected from the state and we have seen a pickup in 2021 whether that reflects in your liquid fuels we are not certain I want you guys to be a little conservative with your income.

Elrama sewage so we've looked at collections it's recommended you budget for similar we are not aware of a fee increase. We have expenses that are similar to the past, the one item we did include down below is your 100,000 capital upgrades it is more of repair and maintenance and just based on conversations with the supervisors could be some improvements that could be made to the system and in the long run be a cost benefit to the Township, not certain that is the case we recommend putting a number in there for capital upgrades for prepares and maintenance that would need to be done to the system. It has been proven hard to find people to do the work so that is why we carried that number half of that number forward in 2022 and that includes your debt services that the Township has with 2 loans with Penn Vest.

Overlook similar to Elrama sewage we have those items there based on collections through the first couple months of billing and expenses we recommend the Township stay consistent we have an estimated Penn Vest loan value based upon the best available information we have now, so we factor that into the budget as well.

Back to page 3 it's the summary of expenses you can see everything broken down in your expense and revenue categories so your total revenue for the Township is at its net of your smaller items your smaller fund accounts but your net revenue your looking at over 2 million dollars your expenses just over 2 million dollars, what the Township is doing is pulling about 74 thousand in fund balance that is carrying forward to fund some of the budget funds that you have already received in past years that you will be using to pay for some of the expenses that we just talked about and that is what we are recommending the Township do. As of now in 2020 revenue for the Township is 1.1 million dollars the big variance there is the funds received from the 2 gas companies for road damages and you are going to have a significant deficit here in 2021 to approve those roads and other improvements to the Township and in 2022 you are showing a little bit of a deficit to fix one of those roads being Coal Bluff which was budgeted for under liquid fuels.

Good news is looking at a 3 year history with the funds being received from the gas companies in 2020 and you are almost paying that money out over the next couple years your average fund balance is projected to increase if you take the average of those 3 years. The other good news is there is a lot of items that will be coming on board in 2023 that will be generating revenue, couple of the housing plans generating transfer tax, real estate tax, earned income tax and EQT that should increase impact fee funds as well. All these are should and they are a year and a half out and the Township is doing things now to increase revenue for years to come.

As of now these are our recommendations with the best information we have and couple of years working with the Township.

Supervisor Esken so now the Township is sitting very safe?

Mr. Palermo based on the draft of the audit 2020 is sitting on over 3 million dollars of unrestricted funds, you will show a deficit this year, but it was a budgeted deficit. Moving into 2023 you should be sitting on at least 2 million dollars in unrestricted fund balance if this plays out the recommended budget.

Supervisor Esken but the township is not going broke, or bankrupt? Mr. Palermo not that I see., you could have been a little more loose with spending with a fund balance like yours but it's short sided and it hurts the Township in the long run so I think a budget that a deficit of \$74,000 which is less than maybe a 5 % of your total fund balance is pretty conservative.

Supervisor Esken do we have an idea on the gas wells on what the impact fees are going to be? Is there an average of different Townships that you know of? Mr. Palermo

A lot of it depends on the well they are putting in I don't know the exact details, but we have seen Townships receive a half million dollars in impact fee funds and that is not uncommon. I am not saying you are going to see that, but others have received that high of an amount. It is a good question on how many wells, how much gas they actually extract that is all part of the calculation and how long the lines are exactly where they run through the Township.

No comments from the board.

**Public Comments:**

Jonathan Maderas, 5054 Don Street, Finleyville, PA 15332 can you verify the actual from 21 versus the 22 budget for the ambulance service. Was there an expense budgeted for EMS? Chairperson Daerr I think there was a donation of \$1000.00 or maybe \$3000.00. Mr. Palermo I do think the Township made a contribution in 2020. Chairperson Daerr we haven't talked about that yet tonight is only a workshop we are not supposed to deliberate, but I think we can talk about it next week and I think it is already on the agenda. I am a paramedic for Southeast Regional one of the administrators, let me just stress as a resident we need to fund EMS. If we can fund over \$400,000 for police protection we can have a small little bit to help EMS agencies. This is a national issue. Any thing we can do. Supervisor Breinig do you have one in Elrama? Mr. Maderas we stage there we are not stationed there 24/7. Supervisor Breinig where is your main barn? Mr. Maderas Jefferson Hills.

Linda Evans Boren, 22 Parkvue Drive, Finleyville, PA 15332 it is this board's responsibility to make sure the people of this community have access to EMS services this board has bought things we do not need and EMS is a vital service.

No comments from the board.

Motion to Adjourn @ 5:40 p.m.

Motion: Daerr

Second: Lawson

Roll Call: Daerr – yes Trax – absent Lawson – yes Breinig – yes Esken - yes

Motion Carried



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ROBERTA J. SINGER, Secretary