

Borough of Somerset Committee of the Whole
October 29th, 2018 5:00 p.m.

Meeting was called to order by President Ruby Miller, opening with recitation of the Pledge of Allegiance to the Flag.

Roll Call:

Council Members present: Ruby Miller; Fred Rosemeyer; Judy Pyle; Sue Opp; Steve Shaulis and Gary Thomas. Mayor Scott Walker was also present.

Absent was Council Member: Pam Ream.

Also present were the following: Borough Manager, Michele Enos; Director of Finance, Brett Peters; Solicitor James Cascio and Consulting Engineer, Jake Bolby.

Announcements:

(a) *None*

Approval of Minutes of Previous Meeting:

(a) *All minutes are approved at the regular Council Meeting.*

General Public Comments:

(a) *None Registered*

Policy Agenda:

Old Business:

(a) *None*

New Business:

(a) Request form submitted by Manager Enos:

1. 2019 Budget Process – *Review and discuss the Capital Requests for our Departments.*

Ms. Enos mentioned that she wanted to start the Council Meeting with a Flow Chart that was included in the 2019 Capital Equipment Budget Request Packets given to all Council Members.

Mr. Peters explained that the first 3 pages of the Information Packet included graphs that were a continuation of last year with the Actual and Projected Cash Balances for the three major funds consisting of the General, Water and Sewer Funds.

The packets also included a Spread Sheet that listed the Borough's Cash Balances in each of these funds as of January 1st, 2018, what the Projected Deficit in each fund may be at the end of this year, and the Projected Ending Cash Balance at the end of 2018.

Mr. Peters mentioned Projected Available Capital Funds that they would like to maintain in reserves for 2019. Then if needed, the Borough could use these funds, which would be in excess of Capital Purchases.

The material in the Information Packets also brought out the Capital Requests from each Borough Department for 2019.

Mr. Peters expressed that he desired to get the view of Borough Council regarding the information, and if they are willing to consider any rate or tax increases for the 2019 year.

Ms. Enos first reviewed the 2019 Capital Budget Requests from Mr. Larry Kowatch, Water Treatment Plant Superintendent.

The following Requests are for all Water Treatment Plant Projects:

- 1. Facility #1 Clear Well Beam Repair – in the amount of \$15,000.00.*
- 2. Facility #1 Clear Well Tank Cleaning & Inspection – in the amount of \$15,000.00.*
- 3. Facility #1 Clear Well Wall Repair - in the amount of \$25,000.00.*
- 4. Clear Well Motor Starter Cabinet – in the amount of \$15,000.00.*

Ms. Enos brought out that the first 4 request items are a “combined-together” project. She stated that after talking with our Engineers, and the Municipal Authority, we are going to take this “combined-together” project and move it into our Long-Range Plan that was already discussed and approved with Borough Council and the Municipal Authority.

- 5. Utility Trailer – in the amount of \$6,000.00*
- 6. Shafer Run Repeater Tower – in the amount of \$50,000.00.*

Mr. Bolby explained that this is a tower for radio communications between the Laurel Hill Filtration Plant and the Shafer Run Wells that would supply more consistent and reliable communication between the plants. This tower is an improvement on an existing system.

- 7. Coxes Creek Chemical Building Roof – in the amount of \$30,000.*

Ms. Enos stated that this is for the roof repair of the Chemical Building.

- 8. Tank Inspection & Painting – in the amount of \$300,000.00.*

Ms. Enos stated that this was a “carry-over” from last year. The tank inspection was completed this year, but the painting was not done. Inspection indicated that more repair work, along with the painting, still need to be done.

9. *Clearwell Pump – in the amount of \$25,000.00.*

Mr. Bolby explained that we did a Clearwell Pump rebuild last year.

Ms. Enos explained that it is important to maintain these pumps, because we have had problems with them in the past.

Ms. Enos brought out that the total of Mr. Kowatch's 2019 Budget Requests for the Water Treatment Plant is \$411,000.00.

Ms. Enos explained that we are projecting a year-end balance of \$3,698,000.00 in Water Fund. What we would like to keep in our reserves is \$1,698,000.00. So the available for Capital Cash is \$2,000,000.00. She stated that we are "healthy" in the Water Fund category.

Ms. Enos next reviewed the 2019 Capital Budget Requests from Mr. Craig Weimer, Waste Water Treatment Plant Superintendent.

The following Requests are for all Waste Water Treatment Plant Projects:

Ms. Enos brought out that all of Mr. Weimer's requests are all Maintenance Projects on the infrastructure at the Waste Water Treatment Plant.

1. *Raw Sewage Pumps – in the amount of \$250,000.00.*

Ms. Enos stated that this project was pushed from last year into this year. She brought out that valves needed replaced, therefore, this project had to be pushed into the following year.

2. *Monitoring System – in the amount of \$50,000.00.*

Ms. Enos stated that this system gives us the information we need for reporting and monitoring. She stated that the monitoring system at the Plant has been poor for years, and not giving accurate information or any information at all. She stated that this is a system we can build on year after year, so it doesn't have to be a complete system all at once.

3. *Grinder – in the amount of \$45,000.00.*

Ms. Enos mentioned that this is equipment also necessary for the Sewer Treatment side.

Mr. Bolby stated that the Operators at the Plant noticed that the bearings in the grinder are failing, so it needs to be replaced. Mr. Bolby stated that the grinder runs 24/7, and as a result, wears out. He explained that the grinder grinds up any solids that come through the Plant so that they don't get stuck in the pumps.

4. *Pump Rebuild – in the amount of \$20,000.00.*

Mr. Bolby explained that almost every year the Operator's perform a pump "rebuild" in a different location within the Plant. So it was suggested to add this on as a cost to the budget so we're prepared for it.

5. East End Control Panel – in the amount of \$40,000.00.

Mr. Bolby explained that the components on the current Control Panel are very old and no longer supported. It occasionally will fail to work. The main concern of the Operators is that a new Control Panel be installed, so that the Pump Station will continue to operate.

6. Backflow Preventers – in the amount of \$15,000.00.

Mr. Bolby explained that the Backflow Preventers are part of the water lines in the Sewer Plant. He stated that the current Backflow Preventers are leaking, and they would like to get them fixed.

7. Primary Clarifiers Baffles – in the amount of \$50,000.00.

Mr. Bolby stated that the Primary Clarifiers Baffles are starting to separate from the wall and twist. So they are basically failing and in need of replacement.

8. Digester Evaluation – in the amount of \$15,000.00.

Mr. Bolby explained that the 2 digesters at the Plant hold sludge, which in turn, produces methane that runs some of the systems in the Sewage Plant. Generally, they are cleaned every 10 years as maintenance. He stated that the last time ours were cleaned was approximately 20 years ago, so they are overdue for a cleaning. He stated that to get a good price on what it would take to clean them, EADS is recommending an outside company come in and evaluate how much sludge is in the digesters, so they can get a good idea on the cost.

9. Fire Security System – in the amount of \$50,000.00.

Mr. Bolby stated that their Fire Security System is “on its last leg”. He stated that it is no longer supported, so they cannot get replacement parts.

Ms. Enos reiterated that all of the requests from the Sewer Plant are all operational and maintenance items, but just happen to be “large ticket items”. She stated that all of these requests, they feel, are a priority in order to keep things running smoothly, and maintained, for the treatment process.

Ms. Enos mentioned that the total of all the 2019 Capital Requests from the Waste Water Treatment Plant is \$535,000.00.

Ms. Enos stated that the available Sewer Funds we are projecting to have for Capital, at the end of this year, is \$347,568.55. Therefore, we might be looking at an increase in our Sewer Rate structure to accommodate for Capital purchases.

In the past, it was agreed on by Borough Council to keep \$859,500.00 in reserves for emergencies purchases.

Discussion among Council was held regarding a sewer rate increase, verses no sewer rate increase, and how either could impact the Boroughs Sewer Capital Projects and Reserves.

Chief Cox mentioned that he is requesting a Police Cruiser for the 2019 Budget Year. He distributed a hand-out discussing the “Fleet History” of all the Police vehicles from the year 2004 through 2018.

Chief Cox also explained the details, and use, of two high mileage Police Cruisers, and concerns he had regarding them.

He explained what the Police Department has done in the past when purchasing a vehicle to help keep cost down.

He mentioned the \$37,000.00 he estimated for a brand new 2019 Police Cruiser, would not only include the initial cost of the car, but also include what needed to be purchased for the vehicle to be fully equipped and ready for the road.

Chief Cox also discussed details of some of the Police Department’s older vehicles, along with their age and mileage.

Ms. Enos next discussed the 2019 Capital Budget Requests from Mr. Charles Glessner, Public Works Superintendent.

The following Requests are for all Public Work’s Needs:

1. Cabinet Sand Blaster – in the amount of \$1,200.00.

Ms. Enos stated that this was actually a request from the Mechanic. His request came through the Public Works Department.

2. Flat Bed Body for Unit F – in the amount of \$10,281.00.

Ms. Enos expressed that this request was one of the lower priority items.

3. Drop Spreader – in the amount of \$4,250.00.

4. Snow Blower – in the amount of \$3,625.00.

Ms. Enos stated that items #3 & #4 are attachments for the Steiner Tractor. She mentioned that these attachments can aide us in clearing off the sidewalks.

5. Ford F-250 – in the amount of \$32,531.00.

Ms. Enos mentioned that this is a high priority item. Our current truck is in poor condition.

6. Payloader – in the amount of \$104,900.00.

Ms. Enos stated that this request was eliminated because of the repairs that can be done to our current existing payloader to keep it in use.

7. CDL Heavy Duty Plow/Salt Truck – in the amount of \$150,000.00.

Ms. Enos expressed that this is another high priority item. This is the plow along with the salt spreader. The amount is a combined quote. It is an 8-ton truck, thus the reason for the expense.

8. Tandem (Used) – in the amount of \$30,000.00.

Ms. Enos stated that we utilize our current tandem a lot to haul. She stated that the hydraulics on our current tandem are no longer repairable, and it is not certified to be used over the road any longer.

Ms. Enos mentioned that the price may vary on a used tandem, depending on what may be available at the time we have the approval to bid and purchase one.

9. Low Profile Deck over Trailer – in the amount of \$9,500.00.

Ms. Enos explained that this is a larger trailer unit. She stated that a heavier duty one is needed for heavy equipment hauls.

Ms. Enos stated that it would be heavily used in Public Works, but could also be utilized for Water & Sewer Projects.

Ms. Enos mentioned that the total of all the 2019 Capital Requests from the Public Works Department is \$241,387.00.

Ms. Enos next discussed the 2019 Capital Budget Requests from Mr. Todd Suder, Water Distribution Superintendent.

The following Requests are for all Water Distribution Needs:

1. Pro City Kit (Valve) – in the amount of \$8,715.00.

Ms. Enos explained that this is a water valve kit that can reach into the base of fire hydrant bolts, and actually take them off, without digging up the ground.

She stated that they had a demonstration on how the kit worked, and it was incredible.

Ms. Enos expressed that this kit would cut down on labor costs. It would also cut costs on hole repairs that would need dug to reach the bolts.

2. Mini-Excavator – in the amount of \$49,088.00.

Ms. Enos explained that a mini-excavator was requested even though we presently have one at the garage. She stated that it is heavily used in the Public Works Department, therefore, it would be helpful to have an additional one for the Water Distribution side. She expressed that we could really use another one, because we use the mini-excavator quite a bit.

3. Aluminum Dump Body – in the amount of \$16,680.00.

4. Ford F-550 (Diesel) – in the amount of \$62,506.00.

Ms. Enos brought out that request items #3 & #4 go together. She stated that the prices are based on actual estimates that we received.

5. Breaker – in the amount of \$2,900.00.

6. Ford Escape – in the amount of \$22,072.00.

Ms. Enos stated that request items #5 & #6 were eliminated from the list. The current vehicles on hand will continue to be utilized.

Ms. Enos mentioned that the total of all the 2019 Capital Requests from the Water Distribution Department is \$136,989.00.

Ms. Enos next discussed the 2019 Capital Budget Request from Mr. Blake Hauger.

The following Request was made for Building Maintenance Purposes:

- 1. Floor Scrubber - in the amount of \$1,500.00.*

Mr. Peters mentioned that he started the Operating Budget. He stated that he's projecting that we are going to be about "break even" without the Capital Funds included.

He mentioned that if Borough Council does not agree to a tax increase, we may get through 2019, but our reserves will be depleted. This means that any Capital Items that Borough Council would want to consider in 2020, and in the future, is going to have to be fully funded with tax increases.

Mr. Peters stated that we are fine in the Water Fund for 2019, especially with the PENNVEST Project in place. He mentioned that we should be able to fund some major projects and ensure the debt service on them.

Mr. Peters mentioned that in the Sewer Fund, we may need to consider raising rates a little bit. He asked Borough Council for some direction at the next Committee of the Whole Meeting. Mr. Peters asked Council to think about whether they were willing to consider any tax increases for 2019. If Council is unwilling, then Mr. Peters would work out a Budget which would include elimination of various services, financial donations, and paving for 2019.

Ms. Enos mentioned that right now we are "projecting", but will have more accurate numbers in November when it is less of a guessing game, and more actual figures come in.

- 2. Letter from Somerset Inc. – Requesting financial support to be considered during the 2019 Budget Process.*

Ms. Enos mentioned that Ms. Regina Coughenour had sent a letter to the Borough requesting financial support for Somerset Inc. Ms. Enos stated that Regina's letter of request came in early, so she was bringing it before Council to discuss during the budget process.

Ms. Enos expressed that she knows Somerset Inc. is struggling with doing all the things they are doing for Uptown. She mentioned that one of Regina's comments in her letter said that Somerset Inc. would like to be able to apply for more grant funding, but they struggle to come up with the local match. As a result, this is what typically deters them from even filing for grants.

Ms. Enos stated that one of the things that Regina had mentioned is that she is hoping for the Borough to become not just a donator, but a contributor. A contribution would actually be a line item in the Capital Budget. Ms. Enos stated that she is certain Regina would appreciate any financial support.

Ms. Enos stated that she mentioned to Ms. Coughenour that her request is something Borough Council would have to discuss while the budget is being considered.

Ms. Enos stated that if Council were to make a donation, or contribution that would be set up in a Capital line item, this would be from the General Fund.

Mrs. Pyle mentioned a few things Somerset Inc. has been doing as an organization. She mentioned that there are many volunteers that contribute their time to benefit the community through Somerset Inc.

Solicitor Cascio discussed ideas that may help Somerset Inc. to be able to receive additional funding that they need. He mentioned fund raisers, what the Borough can do to help, and finding individuals, businesses and organizations that are willing to help by contributions.

Ms. Enos expressed that she and Mr. Peters are looking for direction as to how Borough Council feels about this request, and how they may want to fit a donation into the General Fund if they chose to do so.

3. Somerset Trust Company Project – Requesting the Borough to consider permanently removing a metered parking space at the corner of East Union Street and North Kimberly Avenue.

Ms. Enos brought out that this request will be on November's Agenda. This is a request to permanently remove a metered parking space due to the planned demolition of the Union Kimberly Building.

Ms. Enos mentioned that Somerset Trust is going to be putting in a parking lot, so one parking space will have to be permanently removed for the parking lot entrance. She stated that it will require action by Borough Council to permanently remove the space.

(b) Year to Date Financial Report – Provided through the month of September 2018.

Mr. Peters distributed the Year-to-Date Financial Statements, through September 2018, to members of Borough Council. He mentioned that we are $\frac{3}{4}$'s of the way through the year, 9/12ths, or 75%.

General Fund:

Revenues – 88.36%
Expenses – 74.45%

Water Fund:

Revenues – 73.71%
Expenses – 64.87%

Sewer Fund:

Revenues – 72.22%
Expenses – 55.61%

Mr. Peters stated that if Borough Council had questions, after looking over the information, please feel free to contact him, and he would answer all questions.

(c) Manager's Report – Reports distributed to Council for all departments for the Month of September 2018.

Ms. Enos stated that if anyone had any questions, feel free to call her at any time.

(d) President's Report - Given by Ruby Miller.

Mrs. Miller mentioned that the Garden Club is going to store the green planters when the sidewalks are being done.

Ms. Enos brought out that the Sidewalk Project is being moved until next year. The street light pole flower baskets will not be planted, because all the poles will be coming down during this project. The project will begin in March 2019 and hope to be completed by the end of July 2019. The poles will be taken down, sand blasted, repainted, sealed and put back up on new bases.

Mrs. Miller mentioned that the County Boroughs Association meeting will be held on November 15th, 2019, and EADS will be sponsoring the meal that evening.

Mrs. Miller also mentioned that the "Route 219 Opening" will be held on Wednesday November 21, 2018.

(e) Somerset Inc. Report - Given by Judy Pyle.

Mrs. Pyle mentioned that she had nothing further to add to her report.

(f) PSAB Report – Given by Fred Rosemeyer.

Mr. Rosemeyer reminded all in attendance that the next PSAB Conference will be held in Hershey, PA in June 2019.

(g) Somerset Volunteer Fire Department Report - Given by Steve Shaulis.

Mr. Shaulis mentioned that the Fire Department had a total of 32 fire calls during the month of September 2018.

He mentioned that the trailer fires have died off.

He mentioned that, to date, only 2 Junior Members were recruited for the "Retention & Recruitment" Project.

Mr. Shaulis brought out that there was a great turnout for the Golf Outing.

He stated that the "Cash Calendars" are presently on sale again.

Mr. Shaulis mentioned his appreciation for the fire hydrants being repaired.

Discussion was next held regarding the Tax Incentive Credit for Somerset Volunteer Fire Department. Further details will be discussed at the November Committee of the Whole Meeting.

(h) Engineer's Report – Given by Jake Bolby.

Mr. Bolby mentioned that the Sewage Plant Project is moving forward.

(i) Mayor's Report – Given by Mayor Walker

Mayor Walker brought out that the Police Department devotes a good deal of time at Somerset High School with regard to active shooter training.

Mayor Walker also mentioned that Chief Cox, and some of the Officers, have volunteered their time to go into several of the local churches to explain safety measures to help make their environment more secure.

Discussion was held regarding the burned trailers on Cherry Lane, and what the next steps are to move forward in resolving the problem.

Executive Session – None requested.

ADJOURNMENT

Motion

Mrs. Opp moved to adjourn, motion seconded by Mr. Thomas.

Motion Unanimously Carried
7:25 p.m.

Michele A. Enos, Borough Secretary