

**Neville TOWNSHIP
5050 GRAND AVENUE
NEVILLE ISLAND, PA 15225**

**November 5, 2020
7:00 PM
CAUCUS MEETING**

The November 5, 2020 Caucus Meeting was called to order by Chairman Rutter at 7:00 PM. Due to the COVID-19 Pandemic Emergency, a hybrid meeting was held both virtually and at the Municipal Building with a limited number of participants.

ROLL CALL:

Officials Present:

Present: Mr. Brown, Mr. Kerr, Mr. Leon, Mrs. Phillips, and Mr. Rutter.

Also, Present:

Jeanne Creese, Township Manager
Debra Thomas, Township Clerk
Drew Null, Lennon Smith Souleret Engineering, Inc.

SCHEDULED GUESTS:

Emily Palmer, Lennon Smith Souleret Engineering, Inc. presented the rate study of the Neville Township Water and Sewer System as prepared at the Board's direction.

The last rate increase was in July 2015. The current report evaluates rates from 2018 and projects forward to 2025.

The Township's largest budget expense from the Sewer Fund is for the treatment of sanitary sewage by ALCOSAN. ALCOSAN has increased rates from between 7% and 15% each calendar year and it is anticipated similar rate increases will continue. The reason for the ALCOSAN rate increases are the EPA mandates to separate storm water from sanitary sewage and prevent the overflow of sewage into the areas rivers.

While ALCOSAN rates have increased each year, the Township has not passed along any corresponding rate increases to Township rate payers since July 2015. Instead, the increased costs to pay ALCOSAN each month have been offset by reducing Township expenditures and decreasing funds available to make routine and emergency repairs and invest in the sewer system infrastructure owned by the Township that includes sewer main lines and two pump stations.

The current base rates for sanitary sewage are \$34.60 per quarter for residents and commercial customers and \$27.00 per month for industrial customers. The proposed base rate increase is \$39.00 per quarter for residential / commercial customers and \$39.00 per month for industrial customers.

The current volumetric rates are \$17.30 per 1,000 gallons for residential / commercial customers and \$17.30 per 1,000 gallons for industrial customers. The minimum allowance for residential customers is 2,000 gallons. The minimum allowance for industrial customers is 1,000 gallons.

The proposed increase is to a volumetric rate of \$21.79 for both residential / commercial customers and industrial customers. The minimum allowance for residential customers will increase to 3,000 gallons. The minimum allowance for industrial customers will remain at 1,000 gallons.

The Township currently bills all customers for a separate ALCOSAN service charge in the amount of \$10.75 per quarter for residential / commercial customers and \$3.59 per month for industrial customers. This fee will be eliminated as it no longer represents the ALCOSAN portion of the bill and presents confusing information to customers.

The Township applies for grants and low interest loans and the federal granting agencies expect the Township to support their own systems by adopting rate schedules between one and two percent of the mean household income of the community. The proposed rate increase would be 1 and ½ percent of the current mean household income.

The proposed rate increase does offer relief to senior citizens by increasing the minimum base allowance for residential customers from 2,000 to 3,000 gallons. The average household uses approximately 8,000 gallons; however, seniors typically use less. All households are encouraged to use water and sewage wisely to reduce costs and protect the environment.

Industrial customers typically have higher water use; however, not all industrial water use translates to sanitary sewage revenue. Many industries use water in the production of products or for steam generation. That water does not enter the sanitary system for treatment and is not billed when a deduct meter is in place.

The Board will consider the proposed rate increase as part of the 2021 budget and the adoption of a new rate schedule prior to the January 2021 utility bills.

OLD/NEW BUSINESS:

Planning Commission/Development Applications:

- October 15, 2020 Planning Commission Meeting cancelled due to lack of agenda.
- No applications have been submitted or are pending at this time

Zoning Hearing Board Applications:

- No new applications.

Manager/Financial Reports:

- October 2020 Financial and Payroll Reports were provided to the Board.
- Draft -2021 Preliminary Budget:

Manager Creese stated the preliminary budget was transmitted to the Board on October 19, 2020.

The Proposed 2021 Sewer Fund Budget recommends the proposed rate increased discussed this evening.

The Proposed 2021 Water Budget does not recommend a rate increase. The largest expense to the Water Fund is the cost to purchase treated water from the West View Water Authority. The 2019-2020 WWA increase was between 20 and 22%. Water expenses are also increasing due to new DEP requirements for water safety that require additional sampling, reports, and increases in engineering and staff time and training. For 2021 the Township was able to offset the increased expense by closely monitoring fixed costs for personnel, insurance and supplies and by obtaining grants. By utilizing grant programs, the Township can maintain current customer rates and invest in the infrastructure. Each time a line is replaced or upgraded, the costs associated with breaks are reduced and the life of the water system is extended. The Township water budget has also benefited from the skills of Township Engineer, Mark Stewart and billing staff. By reducing leaks, testing and checking meters, and tightening collection practices, The Township reduces water loss and collections revenue to avoid passing unpaid water expenses onto customers.

The Proposed 2021 General Fund Budget does not recommend a real estate tax increase and most fees and rates remain unchanged. The 2021 Garbage Rate will remain unchanged for customers. The budget also contains funds for road repairs and matching park grant improvements.

The Board received a Capital Project Budget worksheet that shows large projects that may extend over several budget years and planned or possible improvement projects. The 2021 portion reflects in the various budgets where indicated.

- Draft 2021 Fee Resolution:

Manager Creese presented a Draft of an updated Fee Resolution for 2021.

The Resolution includes the proposed changes to the sewage rates and increases to parking violations.

The remaining fees remain unchanged; however the document has been improved. The last Fee Resolution was adopted in 2015. The format has been improved to make the document easier to transmit and read on-line. The format will also coordinate with the new Codification by moving fees from each Ordinance to a single document that can be adopted by resolution instead of the more costly ordinance amendments.

Ordinance Codification: Manager Creese and Solicitor Means have made significant progress this month and anticipate transmitting final comments to the publisher by December 31, 2020. The changes will then be incorporated into the Code and the publisher will send the format for adoption. Once the legal advertisement requirements are completed, the code will be available in indexed binders and available on-line for officials and residents.

Veteran's Banner Program: Manager Creese reported no change for this month. All banners and brackets have been received by the Township and installation is pending approval from Duquesne Light for permission to mount along Grand Avenue on pole owned by the utility.

Commissioner Brown discussed a motion to authorize hanging the banners in March or April without Duquesne Light approval. After Board discussion, Chairman Rutter requested a legal opinion from Solicitor Means.

CWM Backup Operations Contract for Water Distribution and Pump Station

Two years ago, the Board entered into a contract with CWM for backup operators for the water system and sanitary sewage pump stations. The DEP requires licensed operators and upon the retirement of two operators in 2019 the Township had only one licensed operator. As of October 2020 the Township now has an additional operator that has passed examinations and worked the required one-year within our system. Manager Creese asked the Board if they wished to let the contract expire or renew due to the current COVID pandemic risks to our limited personnel. The Board requested the Manager discuss a six-month contract extension.

ACTION ITEMS: None

Motions/Scheduled for Regular Meeting

1. Ordinance 857-Tax Collection Attorney Fees
2. Resolution 777-PAMS Tax Collection Agreement
3. Motion-Approve 2021 Preliminary Budget

Events/Reminders:

- Friday, November 6, 2020-deadline to Return Holiday Gift Registration Forms

- Holiday Decorating Contest- The ballot is posted online and was also given to residents in the last water bills. Judging starts December 18 through December 27, 2020. Winners will be on New Year's Eve, December 31, 2020. Winners will have a Christmas flamingo sign in their yard saying what category they won and will also win a prize.

ANY OTHER BUSINESS:

Commissioner Leon thanked Emily Palmer and Manager Creese for explaining the sewer budget and potential rate increase. It appears the Township has limited options and he recommended the Board move forward to include the proposed rate increase into the 2021 Budget and Fee Schedule.

Chairman Rutter discussed amending the Chapter on the Real Estate Tax Collectors compensation. Since 2013 no one has run for this office that has been able to successfully bonded, and the Commissioners have to beg persons to find an appointee for the required position.

The School District currently provides no compensation. When the elected or appointed collector deputizes a collection agency, they currently receive \$0.20 per tax bill or approximate \$120.00 per year.

Any changes to this compensation would become effective only with the next election. The law requires changes to be made prior to the February 15, 2021, so the amount is disclosed prior to petitions being circulated for persons interested in running for office.

Chairman Rutter recommended \$50.00 per month, paid quarterly and reimbursement for required certification and continuing education based on expense receipts.

The Board directed the Manager and Solicitor to prepare an amended ordinance for adoption before February 15, 2021.

Public Comments: Chairman Rutter stated the public was advised via advertisement that public comments could be submitted via email or phone. Manager Creese advised the Board that no public comments or questions were received.

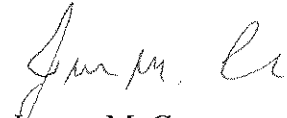
Request to Adjourn:

Motion by Dave Kerr to adjourn the meeting at 8:15 pm.

Second: Mrs. Phillips

Motion 5/5

Respectfully Submitted By:

A handwritten signature in cursive script, appearing to read "Jeanne M. Creese".

Jeanne M. Creese
Township Manager