

**BOROUGH OF SEWICKLEY**  
**COMMITTEE OF THE WHOLE MINUTES**  
**TUESDAY, NOVEMBER 13, 2012**

Vice President Susan Aleshire called the Committee of the Whole Meeting to order at 7:30 p.m. Members in attendance were Bill Cornman, Tom DeFazio, Charles Driscoll, Stan Ference, Carole Ford, Robert Glenn and James Morrill. Council President Robert Hague was absent due to personal reasons. Others in attendance were Jennifer Markus and Kirsten Stripay of Village Green Partners, Larry Rice, Mary Lyn McGinn, Dave Wagner, Bobby Cherry of the Sewickley Herald, Larissa Dudkiewicz of the Sewickley Patch, Mayor Brian Jeffe, Solicitor Richard Tucker, and Borough Manager Kevin M. Flannery.

**COMMENTS FROM THE PUBLIC**

Kirsten Stripay, of Village Green Partners, addressed Council and provided an update on Yuletide in the Village, indicating that \$26,750.00 has been raised in sponsorships, with more than half of that coming from new sponsors. Light Up Night is set for Friday, November 30<sup>th</sup>, with music beginning at 4:00 p.m. Fireworks will begin a little after 6:30 p.m.; there will be two stages, with one stage on Broad Street and the other stage on Beaver Street by Chestnut Street. During the Yuletide Season, all stores have been asked to stay open until 8:00 p.m. on Wednesdays. In addition, the Montessori School will have children operating a business, selling products from Central American countries; and Northway Christian mothers will have a giftwrapping location in the Village.

Ms. Stripay thanked Council in their preliminary approval of the Village Green Partners contract for 2013. She also distributed printed advertising for the Sewickley Business District.

Borough Manager provided a written report regarding a Smith Alley traffic request. The Borough Manager, Mayor Jeffe and Council Member Stan Ference met with several residents of Smith Alley. A traffic analysis was done by Trans Associates, and on May 9, 2012 Trans Associates made a recommendation to make Smith Alley a one-way alley. The residents of Smith Alley did not accept this as a viable solution, and at the meeting on October 15<sup>th</sup>, the residents asked if stop signs could be placed on both ends of the alley. Police Chief James Ersher reviewed the request and responded with a letter recommending the placement of stop signs at each end of the alley.

In addition, residents of Smith Alley inquired about making the alley private. The Borough Manager reported that a public alley or a public road cannot be utilized for private use. If the Members of Council were inclined to make the alley a private road, the procedure would be to vacate the alley in accordance with Borough Code §1731, which basically requires that all residents on the roadway would have to agree to the road being vacated. The meaning of a vacated road would be that the alley is split equally down the middle and all property owners on both sides of the alley would be responsible for that portion of the roadway. Council would be required to advertise, hold a public hearing and adopt an ordinance.

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**COMMENTS FROM THE PUBLIC (CONTINUED)**

After the initial review by the Department Heads, the recommendation was not to vacate Smith Alley. If Council were inclined to vacate the alley, street lights would have to be removed, and there would be no insurance or maintenance services such as paving and snow removal on that portion of land by the Borough. In addition, it may pose a threat for public safety services. Chief Ersher believes that the installation of stop signs would work well with the new school traffic plan being proposed for the Quaker Valley Middle School.

Council was in agreement to place the resolution on the agenda for the establishment of two stop signs at each end of Smith Alley.

Mr. Ference asked that any maps that will be provided to the parents and children of the Middle School, as well as sent to the neighborhood, do not list these alleys: Cherry Way, Oak Alley or Smith Alley.

Borough Manager provided a report on the public information session held by the Quaker Valley School District in conjunction with the Borough of Sewickley on October 15<sup>th</sup>. The recommendation was to approve the Quaker Valley Traffic Plan; and that for safety reasons, only one crosswalk is being recommended for the benefit of all. Borough staff is recommending the adoption of the Quaker Valley Middle School Traffic Plan at this evening's Committee of the Whole Meeting in order to allow the necessary time for the placement of signage, blacking out and painting crosswalks, painting yellow lines and repainting parking stalls.

Mary Lyn McGinn, of Smith Alley, asked if a school crossing guard was an option that could be included as part of the traffic plan. Mayor Jeffe indicated that her suggestion would be forwarded to the School District.

Borough Manager indicated that the recommendation was to approve the current Quaker Valley Middle School Traffic Plan.

On motion of Mr. DeFazio, seconded by Mr. Cornman, Council voted, 8-0, to approve the Quaker Valley School District Middle School Traffic Plan.

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**COMMENTS FROM THE PRESIDENT/MEMBERS/MAYOR**

Mayor Brian Jeffe indicated that it was his pleasure this afternoon to present a proclamation in honor of former Police Chief Walter J. Brannon, at the dedication of the Sewickley Valley YMCA Activities Center in his name.

Mayor Jeffe indicated that Light Up Night is scheduled for Friday, November 30, 2012, beginning at 4:00 p.m. There will be music, free carriage rides and fireworks. Mayor Jeffe stated that the Santa Parade will be held the following day, on Saturday, December 1, 2012, at 10:30 a.m.

Vice President Susan Aleshire announced that an Executive Session would be held at the conclusion of tonight's meeting for a personnel review and a litigation matter.

**REPORT ON BUILDING INSPECTION. ZONING. PUBLIC WORKS AND WASTEWATER TREATMENT PLANT**

Council reviewed the Building Inspector's Report, indicating that ten (10) permits were issued in September, with permit fees of \$17,272.00 on \$1,627,215.00 worth of construction. Thirty-One (31) building inspections were performed, and two (2) property maintenance inspections were performed.

Council reviewed the Public Works Report for October, highlighting the replacement of street signs in compliance with the reflectivity standards, putting up Christmas Lights for Yuletide in the Village, and assisting with the removal of the Walnut Street Landing and Chestnut Street Landing docks.

Council reviewed the Wastewater Treatment Plant Report for October, indicating that 16.250 million gallons of sewage were treated. In addition, several pumps were cleaned and installed. Borough Manager advised that the leak in the Dystor cover has been found. The leak was between the two layers of the Dystor caused by a pipe connected by regular steel fixtures which broke. The fixtures were replaced with stainless steel fixtures, and the Dystor is now holding gas and will produce gas within the next three weeks.

Council also reviewed the Consulting Engineer's Report, indicating that the Glen Osborne Interconnect Project is on schedule, and core borings will begin within the next week to begin the placing of pipes under Route 65 and the railroad tracks. The Boundary Street Pump Station Project is scheduled to be completed by the end of November, with startup scheduled the beginning of December.

The Building Inspector's Report, Public Works Report, Wastewater Treatment Plant Report and the Consulting Engineer's Report were received and filed.

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**SOLICITOR'S REPORT**

Council reviewed the Solicitor's Report for October, highlighting work on the Glen Osborne Sewer Interconnect System and tax assessment appeals.

Council reviewed the Solicitor's Invoice in the amount of \$3,950.25. Solicitor Tucker indicated that an additional 18 tax assessment appeals have been filed with the Board of Property Assessment Appeals and Review.

Solicitor Tucker reviewed the budget, the millage rate ordinance and resolution and procedures associated with them. This is to be compliant with 16 PS § 4980.2.

Solicitor Tucker stated that the Borough Council will have to approve a motion to increase the millage rate so that it generates tax revenues at 100% of the prior year's revenues.

In addition, it is recommended that the millage rate be 6.5 mills in order that an escrow account can be established for the sole purpose of paying tax refunds, with any remaining monies to immediately reduce the millage rate in 2014.

Borough Manager stated that the recommendation was to continue with the past practice of adopting the budget in November. The Borough must also seek the approval of the Court of Common Pleas. Borough Manager stated that upon approval of the budget, a petition will be presented to the Court. It must be advertised and a hearing will be held before the Court of Common Pleas. This will allow sufficient time for the review of the Borough's actions. Should the Court deem that the actions are not correct, then there would be sufficient time left in December to make the necessary changes to be compliant with the Court.

Borough Manager stated that for the last several years, the County of Allegheny has been doing a reassessment of property. This reassessment established a new real estate value proposed for 2013 of taxable properties at \$482,667,030 from a 2012 value of \$320,117,981. This represents a 50.8% increase in real estate assessments. Under the law, the permissible amount of real estate taxes to be received in 2013 is an amount that can be no greater than 5% of the 2012 assessed real estate valuation (\$320,117,981 assessed valuation, at 7.3 mills, would equate to \$2,336,861 in real estate taxes) or \$2,453,704. In preparation of the budget, the Borough Manager and Borough Council have utilized this number as discussed in March of 2012 as the real estate tax dollar needed to be received in the year 2013.

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**SOLICITOR'S REPORT (CONTINUED)**

In 2002, the last reassessment done in Allegheny County, Borough Council established an escrow account in 2002 indicating that the budgeted amount of real estate taxes needed for the budget was \$1,490,000. In 2002, the Borough of Sewickley collected \$1,564,063 in real estate taxes. That left an amount of \$74,063 which was established in a real estate tax refund escrow account. The following chart indicates how the \$74,063 was redistributed back to the residents.

| <b>2002 ASSESSMENTS</b>                              |             |                       |
|--|-------------|-----------------------|
| Collected  | \$1,564,063 |                       |
| Budgeted   | \$1,490,000 |                       |
| Escrow in 2002                                       |             | \$ 74,063.00          |
| 2002 Refunds Paid in 2002                            | \$99,990.42 |                       |
| 2002 Refunds Paid in 2003                            | \$78,601.14 |                       |
| 2002 Refunds Paid in 2004                            | \$26,067.70 |                       |
| 2002 Refunds Paid in 2005                            | \$ 4,971.09 |                       |
| 2002 Refunds Paid in 2006                            | \$ 0.00     | \$ 209,189.35         |
| Shortfall between escrow (income & refunds (expense) |             | <b>(\$135,126.35)</b> |

All totaled, Sewickley Borough Council had refunds on the 2002 assessments of \$209,189.35. The shortfall between the escrow amount, which was the income to place in the real estate tax refund account, and the actual refunds, or the expense paid out, was \$135,126.35 that Sewickley Borough budgets absorbed over the years 2003 through 2006. In the 2002 assessment process, 724 appeals were filed; 68% were reduced, 8% were increased and 24% were left unchanged.

In 2002, the increase amounted to 7% over 2001 and extended into 2003. By 2004, the assessed valuation had fallen to below the assessed valuation of 2001.

|  | <b>Certified Valuation</b> | <b>Millage</b> |
|--|----------------------------|----------------|
| 2001   | \$ 309,630,056             | 5.8            |
| 2002   | \$ 325,794,518             | 5.4            |
| 2003   | \$ 330,992,768             | 5.4            |
| 2004   | \$ 304,655,768             | 5.8            |
| 7% increase, but netted \$209,000 in refunds |                            |                |

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**SOLICITOR'S REPORT (CONTINUED)**

As of this date, November 1, 2012, the reassessment issue with Allegheny County has not been completed. As a matter of fact, the Borough has information on 240 properties, as outlined below.

| 2013 REAL ESTATE ASSESSMENT APPEALS<br>(As of November 1, 2012) |  |                             |
|---|--|-----------------------------|
| Assessed Valuation  |  | \$ 482,667,030              |
| 50%   | 119 Properties                                     | No Change                   |
| 1%  | 3 Properties                                       | An Increase of \$ 17,800    |
| 49%   | 118 Properties (109 Residential<br>& 9 Commercial) | Reduction of (\$ 5,119,000) |
| NET EFFECT  |  | \$ 477,565,873              |

| Millage | Potential Revenue | Budgeted Revenue | Amount for Refunds and Reduction of Millage |
|---------|-------------------|------------------|---|
| 6.5     | \$ 2,877,396      | \$ 2,453,704     | \$ 423,692                                  |
| 6.3     | \$ 2,788,860      | \$ 2,453,704     | \$ 335,156                                  |
| 6.1     | \$ 2,700,325      | \$ 2,453,704     | \$ 246,621                                  |
| 5.9     | \$ 2,611,790      | \$ 2,453,704     | \$ 158,086                                  |
| 5.7     | \$ 2,523,255      | \$ 2,453,704     | \$ 69,551                                   |

Given the history of Sewickley property owners in continuing appeals through the process, we believe that there will be a significant dollar amount in refunds yet to be determined by the County.

Allegheny County cannot provide the exact number of appeals filed for each municipality nor can an update for final resolution for appeals outstanding be determined at this time.

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**SOLICITOR'S REPORT (CONTINUED)**

The Borough Manager's recommendation for the 2013 Budget is to take the permissible amount under the law, which is \$2,453,704, and budget that amount for the real estate taxes to be received in 2013. The Borough Manager further recommends that any amounts received in excess of that amount be placed in an escrow account so that there will be sufficient money for any refunds, which seem to be currently running between 8% and 28%, and to provide for reduction in real estate millage in 2014. In recommending the millage rate, the Borough Manager indicated that this was the financially prudent number based upon previous trends and history of real estate assessments.

Borough Council accepted the Borough Manager's recommendation at the Budget Meeting of October 20, 2012, and tentatively adopted the 2013 Budget based upon a millage rate of 6.5 mills, with the establishment of an escrow account, committed to refunds and to reduce the millage in 2014. The Borough also has prepared Borough of Sewickley Resolution No. 2012-016 for adoption on Monday, November 19, 2012, to be very transparent and clear to the citizens of the Borough of Sewickley that the escrow account will be for any real estate tax dollars received in excess of \$2,453,704 to pay for refunds and to reduce millage in year 2014. Ironically, it should be noted that exactly 10 years ago, to the month, the Borough of Sewickley enacted the same type of legislation, establishing an escrow account in order that refunds could be paid. As previously mentioned, during the course of the time, the refunds paid out for the 2002 reassessment up until 2006 were \$209,189.35.

The Solicitor's Report was received and filed.

**BOROUGH MANAGER'S REPORT**

Borough Manager advised that the 2012 Road Project final bill will be submitted within the next ten days. In addition, Council reviewed the list of property owners who replaced their sidewalks, including the square foot cost of concrete and brick sidewalk replacement and the invoice amount. The total amount billed to the property owners was \$9,002.50. Borough Manager indicated that the trees to be replanted on that portion of Nevin Avenue are on backorder and are scheduled to arrive sometime before Thanksgiving.

Borough Manager reported that the Quaker Valley School District has approved Resolution No. 2012-05, in support of the Tax Increment Finance District. In addition, the Allegheny County Economic Development Office has engaged Urban Design to complete the Conditions Report for the establishment of the Tax Increment Finance District.

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**BOROUGH MANAGER'S REPORT (CONTINUED)**

Council reviewed the October 15<sup>th</sup> report on pension investments, as provided by Guyasuta Investment Advisors. In addition, Council reviewed a letter provided to Mr. Driscoll. Borough Manager recommended having an informational meeting before the Committee of the Whole Meeting, in either January or February, with Hallett Associates and Guyasuta personnel to review our pension funds, and its respected rate of return versus the percentage of raises provided to the employees. In addition, the Borough Manager is arranging for the auditors to review the new Governmental Accounting Standards Board (GASB) Rule 67 and 68 applying to pensions.

Mr. Driscoll indicated that he would like to proceed with engaging Rhoades and Wodarczyk for a review of the pensions for fiduciary compliance. Several Members of Council indicated that a formal review was completed in January of this year. Several Members of Council asked that a preliminary Request For Proposals and a timetable be prepared for the December 11<sup>th</sup> Committee of the Whole Meeting.

Council reviewed real estate tax refunds from the years 2007 to 2012 that have just been completed.

Borough Manager advised that the state legislature has completed several amendments to the Civil Service provisions of the Borough Code. Solicitor Barry prepared a letter to the Members of the Civil Service Commission, indicating necessary changes. The Borough Manager advised that there will be a minimal amount of meetings to facilitate the changes, but it will still require Council to advertise and adopt an ordinance, approving these changes.

Council reviewed the NPDES MS4 renewal application that was submitted to the Department of the Environmental Protection. This pertains to the storm water reporting within the Borough of Sewickley.

Borough Manager indicated that the Act 44 disclosure forms for the annual reporting associated with the pensions have been received from Hallett Associates, AmeriServ and Guyasuta.

Council reviewed the list of Board or Commission Members with terms to expire December 31, 2012. Advertisements to apply for these positions have been placed in the Sewickley Herald. As has been past practice, the interviews will be conducted at the December 11<sup>th</sup> Committee of the Whole Meeting and the December 17<sup>th</sup> Council Meeting, with the possibility of an appointment at the December 17<sup>th</sup> Council Meeting.

Council reviewed the Quaker Valley Ambulance Authority audited financial statements for the fiscal year 2011-2012. The Borough Manager recommended that Council make a motion on the agenda to accept and order the audit received and filed. Council was in agreement to do so.

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**BOROUGH MANAGER'S REPORT (CONTINUED)**

Council reviewed a letter sent by the Borough Manager to MCM Ventures, owners of the property at 800 Ohio River Blvd., regarding plans for that property. Mayor Jeffe indicated that he and the Borough Manager have been in contact with the property owner and are working with the owner to proceed with the demolition of the property.

Borough Manager advised that the DCNR final payment for the Sewickley Valley Rivers Conservation Project, in the amount of \$12,500.00, was received by the Borough.

Borough Manager stated that the winter road salt approval letter has been received from Sewickley Hills Borough.

Borough Manager reviewed the Village at Sweetwater drawing for Building 200. Originally, the proposed project was for nineteen units, but due to sales requests, there has been a reduction in the number of units. Council was reminded that in June of this year, Council approved Building 100, with the building footprint staying the same, and the number of units reduced from six units to five units. With Building 200, the same is true; the plan originally called for seven units, and has been reduced to six units, but within the same footprint. The Planning Commission has recommended approval, and a public hearing has been scheduled before Council on Monday, November 19, at 7:30 p.m.

Borough Manager reviewed the Geotechnical Report on Distressed Slope for Dickson Road, which was provided to Council approximately three weeks ago. The report indicates that Miller Street and Farren Street could be fixed for approximately \$200,000 to \$235,000 for each road, but the report clearly indicated that it would cost over \$7,000,000 to rebuild Dickson Road pursuant to the earth movement that has been occurring over the years. The Borough Manager indicated that he would like to have a meeting with all of the residents of these roads, stating that the Borough will not be doing any capital improvements on these roads, that the Borough will make the roads passable and attempt to maintain them up to a time that the Borough cannot make the roads passable. Council was in agreement, and asked the Borough Manager to arrange the meeting as soon as possible.

Borough Manager reviewed a notice from the Municipal Employee Insurance Trust (MEIT), which provides healthcare benefits to Borough employees, indicating that the trust is now self-insuring, that there are no changes in benefits, and that all healthcare plans remain the same. New cards will be issued to the employees as a reflection of being provided a new account number. As a self-insured plan, the Municipal Employee Insurance Trust has been able to save money. Notices have been provided to the employees.

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**BOROUGH MANAGER'S REPORT (CONTINUED)**

Borough Manager advised that Tropical Depression Sandy, that hit the east coast, did very little damage in the Borough of Sewickley. There were some issues with leaves covering catch basins, but due to the Public Works Department and the Police Department, catch basins were opened and water was able to flow. The Public Works crew diligently checked Hoey's Run every few hours, and the YMCA indicated their appreciation.

Borough Manager indicated that with the amount of rain and the intensity of the rain from Tropical Depression Sandy, the two pay stations in the parking lots, and approximately ten parking meters, were out of commission for three days. The constant rain worked its way into the machines, which caused them to malfunction. Once they were dried out and the gaskets were resealed, everything worked.

The Borough Manager's report was received and filed.

**EXECUTIVE SESSION**

Council went into Executive Session at 9:15 p.m. for the personnel review of the Borough Manager and to discuss a litigation matter. The Executive Session concluded at 9:50 p.m.

**ADJOURNMENT**

On motion of Mr. Cornman, the meeting was adjourned.

Respectfully submitted,

Kevin M. Flannery  
Borough Manager/Secretary

KMF:pmf