

Council of the Municipality of Murrysville held a Regular Voting Meeting on Wednesday, March 3, 2021, at 7:00 p.m. in the Municipal Building. Present at the meeting were Council members Toni Brockway, Dayne Dice, Loren Kase, Jamie Lee Korn, Mac McKenna, Tony Spadaro, and Carl Stepanovich. Also present were Chief Administrator, James Morrison, Director of Finance, Diane Heming, Director of Recreation, Carly Greene, and Solicitor, George Kotjarapoglus. Mayor Synan was absent.

PENSION UPDATE
FRANK BURNETTE, MORRISON FIDUCIARY

Frank Burnette, Morrison Fiduciary, stated that he comes in once a year to give an update on the Pension Fund. MFA has been advising the Fund since 2008 when the Fund's combined assets totaled only \$9.1M. For 2020, the total Fund is now valued at approximately \$29.1M. The goal is to generate a return after all expenses equal to the actuarial assumed rate of return, which is between 7 and 7.25%. This has been realized over the last 10 years by picking a mix of stocks, small cap, large cap, international, fixed income, and some real estate. A collection of assets has been put together that has the greatest expected return of probability to meet that actuarial assumed rate of return with the lowest amount of annual volatility to give the budget process the smoothest ride they could give it. Mr. Burnette presented an economic summary of the Pension Fund. The Combined Fund's investment policy is weighted 67.1% to publicly-traded equities, 24.8% to U.S. Fixed income & cash, and 8.1% to alternatives (private real estate). The Fund's investment management fees totaled 25BPs and administrative fees totaled 36BPs for a combined total expense ratio of a very competitive 62BPs. Recently, the Plan's custody and retiree monthly check issuance functions were moved to S&T Bank and DeBlasio. These moves generated material cost savings and improved operating efficiencies. Mr. Burnette noted that everything the Pension Committee does is in compliance with the Policy Manual approved by Council for authorization to make these investments. The Pension Committee meets quarterly; one meeting is always with Council.

Mr. Stepanovich asked if, with the risk of inflation, is there any consideration of investing in gold or silver? Mr. Burnette answered no, that the policy doesn't permit it. Every investment in the fund is a company that is performing a function that generates a profit and distributes cash flow and dividends. Gold is a commodity that either goes up or goes down. It is not producing an economic flow of cash.

Mr. Morrison stated that he'd like to recognize Mr. Burnette for his excellent guidance on the committee and to thank Mark Miller and Larry Schultz for their invaluable input on the committee.

PUBLIC HEARING
ORDINANCE NO. 1038-21

A Public Hearing was held at 7:35 p.m. concerning Ordinance No. 1038-21, an Ordinance amending Murrysville Code, Chapter 206, Article II, Section 206-10 (A) to increase the Earned Income Tax rate from one half (1/2) of one (1%) percent to up to one (1%) percent, for Tax Year 2022, commencing January 1, 2022 through December 31, 2022, and continuing in effect for each year thereafter, unless otherwise revised by ordinance of the Murrysville Council. The ordinance further authorizes the Municipality of Murrysville to initiate a declaratory judgement proceeding to memorialize the validity of this ordinance and its increase in the Earned Income Tax Rate for Tax Year 2022 and continuing in effect from year-to-year thereafter.

As a brief overview of the Ordinance, Mr. Morrison stated that in the beginning of 2018 through the budgeting process, staff has been forecasting a need for a tax increase to occur in the 2022-2023 year. The drivers on that are mostly the increase in costs for capital projects and capital equipment. The ordinance will give Council another tool to be able to use when the budget begins in July for the upcoming budget year. The ordinance is proposing the ability to increase the earned income tax up to another 1/2% to total one full percent. The current earned income tax rate in the Municipality of Murrysville is 1%; half is shared with the school district and half with the Municipality. As a Home Rule Community, we have the ability to increase the earned income tax rate.

Mr. Kotjarapoglus stated that the Home Rule Charter came into existence in the mid 50s; it does have a tax ceiling provision. A real estate tax increase would require six votes from Council or a referendum. For earned income tax it states that we must abide by the limits of a second class township for taxation, which is 1%, and it's what the Ordinance is proposing. Mr. Kotjarapoglus stated that, legally, it is sustainable that the Municipality raises the rate up to 1%. His recommendation is that if Council approves the Ordinance they confirm with the court that what was done is proper.

Mr. Dice commented that the Ordinance isn't actually passing any tax increase. It is only creating the ability to do an earned income tax increase. Mr. Morrison confirmed that was correct, it is not a tax levy effective with the adoption of the Ordinance. That recommendation would be made as part of the budgeting process which begins in July with the Capital Improvements Program and then as part of the regular budgeting process in September. Any recommendations for any increases would be made by staff through that budgeting process for Council's approval effective 2022, if so passed.

Mr. Dice stated that he was asked by several residents, why don't we just raise real estate taxes. If the Municipality were to raise the EIT by 0.1%, that would generate \$800,000 of revenue for the Municipality. In order to get that same amount of revenue from real estate taxes, it would be 2.35% increase. Nobody likes a tax increase. It has been 13 years since the Municipality has had a tax increase. Mr. Dice said that a lot of people have asked why the tax is going up in the middle of a pandemic. The answer is - It isn't. This is simply creating the possibility for Council to raise the tax rate whether it is now, or whether it takes 10 years for it to get up to the .5%.

Mr. Spadaro noted that none of the seniors are affected by this tax, if they are on retirement. There are a lot of seniors in Murrysville. People have asked him when the Municipality started to share the earned income tax with the school district. Mr. Morrison stated that he believes it was in the mid to late 60s. Mr. Kotjarapoglus noted that the school district actually had the tax first and the Municipality enacted it to share the half of what they were receiving. Mr. Spadaro said that a lot of people in Murrysville never realized that the school gets a 1/2% of that 1% and asked if the Municipality can eliminate the school from getting that 1/2%. Mr. Kotjarapoglus answered no, we can't do that – the State gives it to them.

Mr. Stepanovich stated that if the taxes aren't increased, then services would have to be cut. The big ticket service items are police and safety, which that's an area where most residents wouldn't want to see any cuts along with taking care of the roads, which takes a lot of money. The concept of cutting services, there may be some small areas, but he doesn't see how they can do that and keep the quality of life that we have in Murrysville. Mr. Morrison noted that the drivers of any increase are outside the control of the staff, which includes Capital Project costs like the cost of fire equipment. A truck which had to be replaced doubled in cost. Three trucks in the next five years will need replaced. Three bridges will need replaced or major overhaul. The staff and Council over the years have done a very good job of controlling overhead

costs. Personnel Costs – the Municipality is operating at five less employees than when the tax was increased in 2007. The Police Department has the same number of officers that they had in 2007. The Municipality supports the Library with 1M of taxes. The Municipality is always looking for cost savings.

Mr. McKenna commented that no one wants to raise taxes if we didn't have to. This would give an option to raise taxes to succeed in the future. The pandemic has nothing to do with this – it is a long term option of looking ahead.

Dr. Lee Kornis stated that people are asking why we are suddenly doing this in the middle of a pandemic. It's not sudden. Council and staff have talked every single year about this coming down the pike in the future. We were able to weather this pandemic much better than many other communities throughout the nation because we have been so fiscally responsible. She is not willing to not be in a position to protect our residents and to provide the best services for them – emergency equipment, emergency responders, safe roads, cleared roads – these are services we need in our community. Staff has time and again found the most impressive source of grants and funding and ways to get refunded. Staff has looked at other ways to cut and have done it for years. Eventually you run out of money. The cost of living has gone up, which also means the cost of life for communities and Municipalities. Dr. Lee Kornis noted that we are not the School Board. We do not get the School Board's taxes. Whether the School Board has or has not raised taxes has absolutely nothing to do with us. The Municipality's earned income tax has never been raised. The only time taxes at all were raised was in 2007.

Mr. Stepanovich stated that one item addressed to him was why are raising taxes being considered when \$600,000 is going towards an amphitheater. Mr. Morrison answered that three years ago they floated a bond issue to make improvements at Murrysville Community Park and to consolidate debt to purchase new emergency equipment. There was \$300,000 set aside at that time for the amphitheater and a grant was received from the State for \$300,000. There is no new money involved in building the amphitheater.

Mr. Dice asked for any comments from the audience:

Joseph Conklin, 3815 Harwick Court: Mr. Conklin stated that he did write a Letter to the Editor which was in the Penn Franklin News. He read his letter asking Council to look at ways to cut costs. If a tax increase is needed, that Council re-evaluates increasing the EIT. His fear is that the school district will follow suit. Mr. Conklin asked what the effects of a reassessment have on the tax base here in Murrysville on the real estate side. Mr. Morrison answered that the assessment is generated at the County level so we would have no control over that. Municipalities can't receive a windfall so they usually have it set up that it may increase a mil or two above what your previous return on that rate was. It would adversely affect Murrysville in comparison to other Westmoreland County townships.

Jason Bauer, 2925 Bryer Ridge Court: Mr. Bauer stated that there has been a lot of misinformation out there about this. He is glad that he came tonight because a lot of things were brought up from about 20 of his co-workers that live here in the community, and tonight gave him clarity on some of the items. He feels that if the community understood exactly what Council was asking to do this evening, it would have put some of the people's fears at ease. He understands that this wasn't due to the pandemic and what is meant by Capital improvements. Mr. Bauer commended the staff for the 2 1/2% debt, which is incredible. But if Council goes to the full percent, it will place the Municipality in the top 1% of the Commonwealth. Over 2,500 communities are functioning on ½%. Local Municipalities that are at a full percent right now or more are depressed areas that have no source of revenue. He feels that to go to a full percent would be a bit

drastic. There should be a strategic plan for reserves. If you want young professionals to come to the community, the EIT is something they are looking at. Council should consider that.

Brad Funari, 4804 Greenhead Court: Mr. Funari stated that he was here to speak in opposition to this Ordinance. He acknowledges that Council is not the School Board. Mr. Funari stated that there are three points he would like to make and discussed each point. (1) To pave the way for an earned income tax increase is an exercise of poor economics and fiscal policy at this time. (2) The legal basis for your action for this Ordinance is unsound and he believes that it would not be upheld by a court. He feels the Home Rule Charter should be amended as the prudent approach. Council should table this Ordinance and do some further legal research. (3) He is disappointed that there hasn't been any discussion of coordination with the School Board. This action, if this Ordinance is passed and the tax increase when it happens, will pave the way and open the door for the School District to follow suit. Mr. Funari feels the more appropriate force of action would be to coordinate with the School District and through a joint referendum to the taxpayers of the people of Murrysville decide what that rate should be and take it to the voters.

A summary of comments received by email:

James Miller, 2923 Bryer Ridge Court: Mr. Miller is in opposition to the proposal to raise the municipal earned income tax rate to 1%. Currently we are in the worst recession due to COVID-19 pandemic and raising income taxes during this time would further strain the financial difficulties of residents. If Murrysville raises its EIT rate to 1%, this will place it in the top 1% highest municipal EIT tax rate in the Commonwealth. Westmoreland County is known to be facing population decline. Raising the EIT rate is counterproductive and hurts the community efforts to attract young professionals and high wage earners to reside here.

Rich Brazill, 5017 Pioneer Court: Mr. Brazill is vehemently opposed to any increase in the Murrysville earned income tax (EIT), which is on top of never-ending increases in property taxes, not to mention the other nickel-and-dime taxes imposed by our local government. Murrysville must live within its means. Mr. Brazill would rather see cuts to programs than another increase in taxes. Taxpayers are being hammered and we're fed up with it. No to any increase in the EIT.

David Scherb, 1103 General Forbes Court: Mr. Scherb is opposed to the proposed increase in earned income tax. Murrysville already has one of the highest overall tax burden (including school taxes) in Westmoreland County. He asks that Murrysville hold their budgets as we all have had tough decisions to make this year. He doesn't know anyone doing better this year with COVID and many have been greatly affected by the slow economy. Murrysville should reconsider the thought of adding a further burden to its citizens during this time.

Helen Elliott, 3166 Chestnut Street: Ms. Elliott feels that the proposed increase is not a good plan considering the past year dealing with the pandemic, loss of jobs, business shutdowns and closures. The added proposal to increase each year after this is an open invite to send people scurrying from Murrysville or prevent them from settling here. Relook at the budget, cut some more. Wait on the amphitheater project. It's a want, not a need. When she saw the amount for the library, she was shocked. The library was barely open for the past year – how can that amount be justified?

David Trout, 4949 Cypress Drive: Mr. Trout recommends that Council dial back its proposed increase. It's never a good time to raise taxes but COVID-19 slammed many businesses and individuals with lost

work/jobs, lost business. People are seeing rising taxes from many other areas. How long before another EIT increase. If not adopted, what wouldn't get done or what positions would be lost? A considerable benefit to living in Murrysville is the EIT rate which is 1/3 less than Allegheny County. Mr. Trout recommends that Council start with a 25% rate increase in 2022, then determine if another 25% is a must for 2023. This allows citizens to get vaccinated, businesses to reopen and rehire and the economy to improve. Share the analyses and tradeoffs/scenarios so that residents understand the basis of this proposal.

Dr. Lee Korn moved to close the Public Hearing on Ordinance No. 1038-21, an Ordinance amending Murrysville Code, Chapter 206, Article II, Section 206-10 (A). Mr. McKenna seconded. All present voted aye. Motion approved. The Public Hearing was closed at 8:35 p.m.

REGULAR VOTING MEETING AGENDA

ROLL CALL/VOTING ORDER: Jamie Lee Korn, Mac McKenna, Toni Brockway, Dayne Dice, Carl Stepanovich, Tony Spadaro, Loren Kase, and Mayor Synan - absent.

PLEDGE OF ALLEGIANCE: Mr. Dice led the audience in the Pledge of Allegiance.

UNISTED AMENDMENTS: None

CONSENT CALENDAR ITEMS

A. Approval of February 17, 2021 Council Meeting Minutes

Mr. Stepanovich made a motion to approve the February 17, 2021 Council Meeting Minutes. Mr. Spadaro seconded. All those present voted aye. Motion approved.

MAYOR'S COMMENTS: None

CHIEF ADMINISTRATOR'S COMMENTS:

Mr. Morrison stated that a Glass Recycling Event is scheduled for Saturday, March 20th from 9:00 a.m. – 2:00 p.m. at Veterans Field.

The Municipality is currently advertising for applications for the Police Department to renew the eligibility list.

Jonathan Carfang has been hired for the Public Works Department. He replaced Randy Steele who recently retired.

A report of the Deer Harvest Program was given to Council. This is sponsored in certain parks in the community dating back to 2012 when deer kills on the highways needed addressed.

COMMUNITY INPUT:

Robert Shepherd, 4832 Treesdale Court, Murrysville: Mr. Shepherd stated that he and his wife were here this evening to ask Murrysville Council for their help in the enforcement of a Murrysville statute. They have lived in Murrysville 38 years with 20 of those years at their current residence. In the spring of 2020, owners of a property adjoining theirs began excavation and construction activities to build a home. Since then, they have had progressively worsening stormwater drainage issues and damages caused by the construction activities. Additionally, a nine foot retaining wall was built without a permit or compliance to Murrysville Code. The wall is a major contributor to the water drainage issues and damages to his property. In spring 2020, Murrysville Code Enforcement Officer was contacted, but the codes were not enforced. July 2020, advice from his attorney was to submit a claim to Westmoreland Water Conservation. The Engineer who is also a representative of the DEP inspected the property and documented his findings substantiated stormwater drainage issues that failed to comply with Codes. Murrysville was sent a copy of the report. September 2020, a formal presentation was made to Mr. Morrison and Mr. Jobe regarding the need for Code Enforcement and mounting damages and to enforce the Code. March 2021, Westmoreland Water Conservation Engineer performed a follow-up inspection and found that several of the issues documented in July 2020 have not been corrected. Mr. Shepherd invites each Councilmember to visit his property to see first-hand of what has happened. Please review the information he has submitted and help resolve this problem diplomatically.

Mr. Dice stated that he did receive Mr. Shepherd's information and will discuss this with the Chief Administrator and will help him figure this problem out.

LIAISON COMMENTS AND COMMITTEE REPORTS:

Ms. Brockway: The Library is happy to be back in person Monday through Saturday. Hours are posted on the website. Masks are required. Curbside service will continue for those that request it. The Library is hosting a four part Financial Literacy series in partnership with Edward Jones during the months of March, April, May and June. For history buffs, the Library is partnering with the Murrysville Recreation Department for the Life of General Grant, May 7th at 6:30 on Zoom. To sign up please visit the Recreation Department's website at murrysvillerecreation.com and selection online registration. The Library is also partnering with the Murrysville Recreation Department for the Easter Drive-Thru Event on March 26th from 3:30 – 5:30 p.m. Free treat bags for the children will be handed out while supplies last. The new "make & take" craft will be available March 8th, which is free at the circulation desk.

Mr. McKenna: Parks and Recreation meets next Tuesday. From the past meeting, a new member was welcomed to the Parks and Recreation Board, Selena Barefoot. Officers are: President, Scott Kelsey, Vice President, Dave Metzgar, and Secretary, Barb Prosdocino. Bill Paiano has reports that the concrete was poured at the clubhouse and they are now working on the interior and utilities. Target rental date is June of this year. The 12 for 12 Challenge is going very well with 384 participants, walking, running and biking in the parks or on the trail. The Egg my Yard is coming up. Mike Caruso, Board member, is doing Senior Walks in the Parks, which starts May 2021. Applications are being taken for vendors at the Farmer's Market. Vendors and headliners interested in Tuesdays at Townsend can contact the Recreation Department.

Dr. Lee Kornis asked if the playground program was going to run this year. Ms. Greene said it is yet to be determined. They don't have staff for that. If anyone is interested and has skills with young children, they can contact her. Mr. McKenna asked about the waterpark. Ms. Greene stated that she would like to see it

open this summer, but that call is way beyond our control and responsibility level. We will follow all the CDC and State guidelines.

WORKSHOP ITEMS

ADMINISTRATION:

9.A. A discussion concerning Ordinance # 1038-21, an Ordinance Amending Murrysville Code, Chapter 206, Article II, Section 206-10 (A) to Increase the Earned Income Tax Rate from One Half (½) of One (1%) Percent to up to One (1%) Percent, for Tax Year 2022, Commencing January 1, 2022 through December 31, 2022, and Continuing in Effect for Each Year Thereafter Unless Otherwise revised by Ordinance of the Municipality of Murrysville Council. The Ordinance Further Authorizes the Municipality of Murrysville to Initiate a Declaratory Judgement Proceeding to Memorialize the Validity of this Ordinance and its Increase in the Earned Income Tax Rate for Tax Year 2022 and Continuing in Effect from Year to Year Thereafter

Mr. Dice stated that this was discussed during the Public Hearing.

ENGINEERING: None

COMMUNITY DEVELOPMENT:

11.A. A discussion concerning SP-2-21, the Rivardo Site Plan, an application to convert the current building located on the property to a dentist office. The tract is located at 6428 William Penn Highway and is currently identified as Westmoreland County Tax Parcels 49-21-07-0-049, B District Zoning

Richard Territ, of Territ Surveying and Design, stated that the site is at the corner of Buena Vista Drive and Route 22. It is an existing building which will be a dentist office. Mr. Territ showed a drawing of the site and stated that more landscaping was added around the building and the parking lot. This was already presented to Council at a prior meeting. Council had no comments or questions.

PUBLIC WORKS AND PARKS:

12.A. A Discussion regarding staff's recommendation of a selected consultant for development of a concept plan for the proposed outdoor amphitheater performance area at Murrysville Community Park (MCP)

Ms. Greene stated that she wanted to give Council an update of the proposals received from the 10 consultants for the amphitheater project. Staff went through all of the proposals over several days and narrowed the selection down to four very qualified consultants. Basically, two were artsy and two were more hard core engineering side. Those four firms were interviewed over Zoom which lasted about an hour each. From there, more hours were spent around the table and staff came to a consensus of what they felt will be the most qualified firm to work with. Staff would like to recommend Hayes Design Group and Mackin Engineering, who submitted together for the concept plan project.

COUNCIL ACTION ITEMS

ADMINISTRATION:

13.A Consider approval of Ordinance # 1040-21, an Ordinance of the Municipality of Murrysville Authorizing Execution of a Non-Exclusive Cable Franchise Agreement Between the Municipality and Comcast of Colorado/Pennsylvania /West Virginia, LLC

Dr. Lee Kornis made a motion to approve Ordinance # 1040-21, an ordinance of the Municipality of Murrysville authorizing execution of a non-exclusive cable franchise agreement between the Municipality and Comcast of Colorado/Pennsylvania /West Virginia, LLC. Ms. Brockway seconded.

Mr. Dice stated that this was discussed at the last meeting and presented by Cohen Law Group. The Ordinance was advertised in the Penn Franklin.

Upon roll call vote: Dr. Lee Kornis – yes, Mr. McKenna – yes, Ms. Brockway – yes, Mr. Dice – yes, Mr. Stepanovich – yes, Mr. Spadaro – yes, and Mr. Kase – yes. Motion approved.

13.B. Consider approval of Resolution No. 734-21 authorizing the disposal of certain municipal records in accordance with the Pennsylvania Records Retention Act

Mr. Spadaro made a motion to approve Resolution No. 734-21 authorizing the disposal of certain municipal records in accordance with the Pennsylvania Records Retention Act. Mr. Stepanovich seconded.

Mr. Dice stated that this is done regularly to dispose of records no longer needed.

Upon roll call vote: Dr. Lee Kornis – yes, Mr. McKenna – yes, Ms. Brockway – yes, Mr. Dice – yes, Mr. Stepanovich – yes, Mr. Spadaro – yes, and Mr. Kase – yes. Motion approved.

COMMUNITY DEVELOPMENT:

14.A. Consider approval of SP-2-21, the Rivardo Site Plan, an application to convert the current building located on the property to a dentist office. The tract is located at 6428 William Penn Highway and is currently identified as Westmoreland County Tax Parcels 49-21-07-0-049, B District Zoning

Mr. McKenna made a motion to approve SP-2-21, the Rivardo Site Plan, an application to convert the current building located on the property to a dentist office. The tract is located at 6428 William Penn Highway and is currently identified as Westmoreland County Tax Parcels 49-21-07-0-049, B District Zoning. Dr. Lee Kornis seconded.

Mr. Dice stated that this is inclusive of the Planning Commission's recommendations.

Upon roll call vote: Dr. Lee Kornis – yes, Mr. McKenna – yes, Ms. Brockway – yes, Mr. Dice – yes, Mr. Stepanovich – yes, Mr. Spadaro – yes, and Mr. Kase – yes. Motion approved.

ENGINEERING:

15.A. Consider authorization to advertise DPW-1-21, the 2021 Overlay Project.

Mr. Kase made a motion to authorize to advertise DPW-1-21, the 2021 Overlay Project. Ms. Brockway seconded.

Mr. Morrison stated that the proposed list of roads was included in the support document file, which is subject to final review in the next week or so. The Export streets on the list are piggy-backed on our contract and Export pays for that out of their local funds.

Upon roll call vote: Dr. Lee Kornis – yes, Mr. McKenna – yes, Ms. Brockway – yes, Mr. Dice – yes, Mr. Stepanovich – yes, Mr. Spadaro – yes, and Mr. Kase – yes. Motion approved.

PUBLIC WORKS AND PARKS:

16.A. Consider award of the proposal for conceptual design of the amphitheater at Murrysville Community Park (MCP)

Mr. McKenna made a motion to award the proposal for conceptual design of the amphitheater at Murrysville Community Park (MCP) to Hayes Design Group Architects and Mackin Engineering in the proposed price together of \$9,500. Mr. Stepanovich seconded.

Upon roll call vote: Dr. Lee Kornis – yes, Mr. McKenna – yes, Ms. Brockway – yes, Mr. Dice – yes, Mr. Stepanovich – yes, Mr. Spadaro – yes, and Mr. Kase – yes. Motion approved.

OLD BUSINESS: None

NEW BUSINESS: None

EXECUTIVE SESSION: None

ACTION ITEMS: None

ADJOURNMENT: Dr. Lee Kornis made a motion to adjourn the meeting. Mr. Kase seconded. All present voted aye. Motion approved. The meeting was adjourned at 9:02 p.m.

The Regular Voting Meeting and Public Hearing were broadcast on local government Channel 19. A true copy of the Council meeting DVD is available for the public to purchase from the Municipality of Murrysville and is in the Murrysville Public Library for review.