BOROUGH OF BROWNSVILLE
FAYETTE COUNTY PENNSYLVANIA
November 22, 2021

The Special meeting of the Council of the Borough of Brownsville was held this evening at the Sons of Italy in Brownsville. The meeting was called to order by Tracy Sheehan Zivkovich at 6:11 p.m.

The following members were present: Council President Tracy Sheehan Zivkovich, Jack Lawver, Lester Ward, Jackie Jackson, and Barbara Peffer. Paul Synuria was in attendance via telephone. Beth Bock arrived at 6:16 p.m. Mayor Ross H. Swords, Jr. arrived at 6:20 p.m.

DISCUSSION

We discussed the breakdown of Revenues and Expenditures at the last meeting and at the end of that meeting, that Budget was not balanced, so we went back in, made some revisions, and balanced it.

The new Revenue is $3,109,959, which represents a new tax increase from 7 mills to 11 mills. At this time we can open the floor for discussion. Jack Lawver asked what our assessed valuation was, which Melissa S. O'Brien responded $45,409,590. Jack Lawver stated that our assessment is down, which will affect our top figure in Revenue. Tracy Sheehan Zivkovich stated this is an estimate.

In looking at the Budget, the first column is year-to-date Revenue and Expenses, the second is the 2021 Budgeted number, the third is the dollar amount over (under) Budget, the next is the % of the Budget, and the last column is the 2022 proposed Budget number. Jack Lawver commented that if the tax collector collects the same percentage as she did this year, we cannot Budget 100% of the calculated Revenue.

Kasandra Ward asked about taxes and the value of one mill, to which Tracy Sheehan Zivkovich noted a 1 mill increase would bring in approximately $40,000 more in Revenue. We are currently at 7 mills and discussed increasing taxes to 11 mills.

Tracy Sheehan Zivkovich noted another item, under Intergovernmental Revenues are all grants that is money in and out. All of the Revenue shown under this category will be paid out under the Expense portion of the Budget. The Multimodal Transportation Grant has been awarded so that money will be in there under Revenue and is specifically for Second Street and the Charles Street Bridge, including engineering and sub-work that goes with that. The plan that the engineers looked at for the Charles Street Bridge is for deficiencies and deterioration of Charles Street is just in and out money. Jack Lawver asked what other streets were in there. Tracy Sheehan Zivkovich stated it was just Second Street, and the Keystone Community Grant has the other streets in it for repair. The remaining roads that were identified, Hollow Road and Cemetery Road. Hollow Road is the priority if you look at the slide over there. Jack Lawver is asking questions so if someone asks him, he can comment.

Income ends on page 5. If someone asks how the Budget from last year was slightly more than $900k, why are we now at $3.1M, it is because Grant monies are now included. That money comes and goes out. We have applied for grants and are awaiting approval.

Mike Walters commented that that the total of grants is just over $2M, so the actual Budget is just over $1M.

Areas that we have major increase are health care, which we are trimming down, insurances, and obligations as well as trying to build in match money for Grants that we have applied for. When they designate a grant, they will tell you how much the local share has to be. Our priority is to continue building a grant process and have some money Budgeted so we can say to the state that we are making a commitment and we want to continue to do the projects and fix our roads. The income for roads under PLGIT is $91k. This is money we can put back into the community to fix roads and drains and a variety of things that has to be approved before spent. The priority list, Hollow Road and Second Street, have already been identified by PennDOT as eligible projects. We are putting money away or trying to characterize it for matching grants. Looking at this from a planning perspective, we requested a grant wavier on the Multimodal Grant, which was approved. You can take local money and match it if it is a donation, you can take that money to the DCNR as your matching funds. Jackie Jackson is out raising money for the park project, to use as matching funds for a future grant. We are committed to $20k from DCNR, which is not yet authorized, but it is still out there.

Jack Lawver noted the equation of LFF goes by the amount of roads we have, and we are at 18.7 miles of road within the Borough. It's roughly $4,500 - $5,000 per mile, per year. Mike Walters asked if that was State money, which Tracy Sheehan Zivkovich answered in the affirmative. Jack Lawver noted we used to get around $50k a year in the past, so it is a nice increase.

Kasandra Ward asked what all this can be used for, such as snow removal, which Jack Lawver noted there was a packet which tells us what we can use it for, and last year we did about $60k in storm drains and roads. There is money left to start the year off. Wages are able to be paid.

Tracy Sheehan Zivkovich noted the lesson we learned is that we are much better off getting pre-approval before starting a project. When the water drain collapsed, PennDOT came down to authorize it prior to us spending any money. If we involve PennDOT prior to doing the work, we have much less of a chance of them not paying for the work. Our lesson learned is that we keep PennDOT in the loop on everything we do. Jack Lawver noted piece-milling is a phrase we learned this year, and will not do that going forward.

Kassandra Ward questioned our health insurance decrease. Tracy Sheehan Zivkovich noted we went in and offered equivalent coverage at a lower rate. If we have to, we will go out to market and research. But based on UPMC coming in with a 24% increase, this is the better option for us. There will be no addition out of pocket costs to employees. There are a lot of good healthcare products out there and we will get to a good result.

Under line item 359, Tracy Sheehan Zivkovich has been meeting with non-profits and those exempt from taxes. Next week she will be meeting with other agencies on that list. They are exempt, but that does not mean they cannot voluntarily agree to make a PILOT payment to the Borough. Last year we had $16k in PILOT Revenue, and this year we are hoping to increase that.

Tracy Sheehan Zivkovich met with the sewage authority, Luzerne Park, and the housing authority. There are a few others that we have not yet met with. Probably the biggest partner not on here is the RACF, but that will be a different conversation.

Jack Lawver noted that the $16k is from the Housing Authority, but we only get to keep about $3k and the rest is paid out.

Lester Ward asked about 301.100, where we are going up from $256k to $419k. Is that going to be an easy step, we will have to raise taxes? Tracy Sheehan Zivkovich noted we will have to go from 7 mills to 11 mills. If we are not able to raise taxes, or get 4 mills, then we have to go back in to the Budget and do some heavy cutting.

Jack Lawver stated we are already the third highest in Fayette County, and 4 mills will make us the highest in the County. Tracy Sheehan Zivkovich noted we raised taxes two years ago and then COVID hit. We did not raise taxes last year. We are also looking at the master plan, which shows $100M worth of projects out there, and if you break that down over the next 4 to 5 years, we are not going to be able to get that money if we do not start investing. This will just help us.

Without a tax increase, we will have to cut a lot out of this Budget in order to get that. Lester Ward stated he understands there will be a tax increase, but 4 mills makes him think twice. Beth Bock stated there was an increase a few years ago, but prior to that, there was not a tax increase in over 10 years. Lester Ward stated that was before raising it 2 mills. Beth Bock stated we were extremely tight at that point. After the 2 mill tax increase, we were able to hire a third officer, pave roads, and do other things we were unable to do for a long time.

Jackie Jackson asked if we had the type of income in the area to generate this type of increase. Jack Lawver stated the EIT has been stagnant over the last three years. Tracy Sheehan Zivkovich noted that we are at 95.73% collection rate on tax collection. Our tax collector has been able to raise that number and increase the number of people paying taxes. When we talked two weeks ago, this is what we discussed. Jack Lawver noted that the tax collector collected 95% of what was budgeted, but the actual tax would be closer to $300k. Tracy Sheehan Zivkovich noted that if that number was 75% of what was budgeted, then we would see people do not have the money or they cannot do it, but at 95%, it seems people can pay it.

Lester Ward stated that EIT did not go down during the pandemic. People paid their taxes on a more regular basis during the pandemic than they did previously. This may increase next year as more jobs become available. The retired community only saw an increase of 5%. Jackie Jackson stated there are more seniors than young generation adults in the Borough. The elderly will have a problem. If we are asking for a 4 mill increase, where will we get that from? The people here now?

Mike Walters asked about the percentage of owner-occupied properties; as we give attention to retirees, we have a lot of landlords, they come into our community, the taxes are cheap, they buy our properties. We are a target community for landlords. 50-60% of our properties are not owner occupied. Beth Bock stated she thinks it is more like 65% landlord-owned. It is a very small percentage compared to owner-occupied. People can purchase a house cheap, we keep our taxes cheap, and as we are considering a 4 mill increase, who is going to pay the majority of it? Not the 25% of retirees, but the 65% of landlords that own property. Lester Ward noted the retirees will have trouble because of their income. Mike Walters feels that the landlord-owned properties are what we are going after, and we do not want to make it easier for landlords to buy more properties and not live in them. Jackie Jackson questioned our elderly residents ability to cover a tax increase, and as Lester Ward stated, social security and pensions did not increase for them to cover a tax increase.

Tracy Sheehan Zivkovich asked do we continue this process or take a big step forward. If we do not do 4 mils, what do we do. We have to do something that is balanced. We can vote in December on something final. We can change the tentative budget at that time, but we will have set priorities and cut some expenses. Beth Bock asked if we could do something for the elderly. Tracy Sheehan Zivkovich noted we could prioritize that. Mike Walters questioned what happens if we go from a 65% to an 80% landlord owned town – this would devalue properties much more than it already has.

Lester Ward noted as a lifelong resident who has no desire to move, there is not much of a concern for the future value, as he has no plans to move. Mike Walters responded that the resale value was not the only concern, but rather the quality of life here in town when you have landlord-owned properties all around you. Kasandra Ward noted we had to focus on landlord-owned properties and how to get more out of those properties. Tracy Sheehan Zivkovich again reminded everyone that 65% of our taxpayers are landlords, and that is where the majority of this increase will come from.

Lester Ward noted there may be a program out there where we can charge landlords more money. Jack Lawver stated this is something to look into in the future.

Tracy Sheehan Zivkovich noted that everyone wants their streets fixed, everyone wants the neighborhood updated, and that is the focus here. To do something different. Mike Walters stated the landlord population does not care about any of this, as they take their income and live in their higher-income towns with good streets and nice homes. Tracy Sheehan Zivkovich noted that we can look into an Ordinance for a tax reduction for seniors. This would be helpful.

Jackie Jackson asked how much 4 mils would help us, which Tracy Sheehan Zivkovich noted it was approximately $40k per mil. Jack Lawver noted the earned income tax that was budgeted in prior years was roughly around 82% of the taxes. 100% of taxes are not paid. Jack Lawver and Mike Walters discussed the collectability of taxes.

Paul Synuria feels that if we do not increase taxes, we will continue to fall back. Our last increase allowed us to add a full-time officer to the Borough, which was necessary. We just had a dog attack and a threat to harm someone, and no police on duty, and the state police refused to come to town to deal with this. The worst part is that two state police cars were in town at that time giving speeding tickets, but they would not deal with a threat. We need our officers and we need to grow to a full uniformed staff here to keep our residents safe!

Jackie Jackson asked about the passage of this tax increase. Tracy Sheehan Zivkovich noted that we were looking for community feedback in relation to this tax increase. The comments that we have received is that we have to do something to better our community. We have wages and healthcare increases to cover.

Lester Ward feels there is no doubt we need a tax increase, but is 4 mil the minimum. Tracy Sheehan Zivkovich asked where the cuts could come from if anyone wanted to go lower. The questions about senior discounts and residential blight came up. In order to pass a balanced budget, we have one proposed with a 4 mil increase. If anyone has a different opinion, we have to go into the expenses and cut something. Paul Synuria commented that lowering the increase this year and then doing another increase year after year could be more difficult.

Motion by Lester Ward to pass the tentative Budget as presented, with a 4 mil increase. The senior citizens of this town do their fair share and contribute Second by Beth Bock. Barbara Peffer commented that we do need some type of discount for the elderly. Beth Bock commented that she reviewed the statistics and about 6.5% of our residents are senior citizens. Paul Synuria asked if he was able to vote, which he cannot as he is not present. Jackie Jackson will vote to approve provided there is something here for seniors.

Roll call vote: Tracy Sheehan Zivkovich, yes; Lester Ward, yes; Jack Lawver, no; Jackie Jackson, yes; Barbara Peffer, yes; Beth Bock, yes. 5 yes - 1 no. Motion carries.

Paul Synuria would like it to be noted that he supports the tax increase, even though he is unable to vote on it tonight. Lester Ward would like the new members coming on to Council to look into some type of discount for seniors.

Beth Bock would like to adopt a policy where Council can vote if they are present on the phone.

MEETING ADJOURNMENT

Motion to adjourn by Jack Lawver. Second by Barbara Peffer. Meeting adjourned.

Melissa S. O'Brien, Secretary/Treasurer