

PROGRESS REPORT – WEEK ENDING NOVEMBER 4, 2016

The following is a summary of the items that are being addressed by the Grass Root Solutions (GRS) team by category under the current engagement.

New and Updated Items:

Item: 2017 Budget Development

The proposed 2017 budget was not prepared and a schedule for budget workshops, reviews, and adoption had not been distributed when GRS was engaged.

Action: GRS has prepared and distributed the proposed 2017 budget to Council members and staff. The proposed 2017 budget includes a Budget Message, Budget Schedule, Fund Balance History and detailed budget information for each fund – General Fund (01), Sewer Fund (05), Health & Sanitation Fund (06), Fire Truck Fund (14), and Liquid Fuels Fund (35). The first budget workshop meeting is scheduled for November 10 at 6pm in Council Chambers. The budget will be available for public inspection beginning December 1 and is scheduled for adoption at the Council meeting on December 20. No increase to taxes is recommended.

Item: Ben Avon Snow Removal Contract

The current contract expires December 1, 2016.

Action: The GRS team will update and prepare the new contract for execution by Ben Avon at their November meeting and will place it on the agenda for the Council meeting on November 15.

Item: Blighted and Vacant Property Plan

There is currently no focused plan for addressing properties that are blighted and vacant in the Borough. Especially troubling are properties that are owned by the Borough and are presenting potential liability because of unsafe conditions.

Action: The GRS team is working with the Property/Parks Committee to identify properties that are owned or controlled by the Borough that must be addressed through asbestos abatement, alleviation of dangerous/unsafe conditions, or can be re-purposed through sale or donation to private interests who wish to rehabilitate or redevelop the properties. The plan will provide: 1) list of top 10 properties to be addressed; 2) strategy

for each property; 3) costs associated with each strategy; 4) timeframe and schedule for completing the disposition or repurposing of the properties.

Item: Manager Search

The Council authorized that a Manager Search should be conducted in order to recruit the best qualified candidate to take the manager position as soon as possible but no later than February 28, 2017.

Action: GRS has provided and reviewed with Council a proposed process and schedule for recruitment and selection of manager candidates and a draft advertisement for circulation and distribution. An executive session has been scheduled with Council for Wednesday, November 9 at 7pm to approve the advertisement and authorize distribution.

Item: Pension Administration

The Borough does not have a fully developed procedure manual or method for maintaining compliance and for meeting all requirements as set forth in Act 205, the PA Pension Standard and Recovery Act and Act 600 the Police Pension Act

Action: GRS is developing a procedure manual for pension administration for the Borough. The pension manual will include statutory authorizations, definitions, deadlines, state reporting, and relevant regulations that must be followed in order to maintain compliance with state law. This manual will be developed no later than November 30, 2016.

Item: Personnel/Employee Manual

The Borough does not currently have a personnel/employee manual that provides guidance regarding general employment, work conditions, compensation, benefits, and work policies.

Action: The GRS team has developed an outline and format for a personnel employee manual and will continue to add additional policies and information into the template. To date, we have developed an introduction, organizational chart, working conditions (i.e. attendance, standards of conduct, discipline, general appearance, care of Borough equipment and facilities, communication with the public, drug and alcohol, violence in the workplace) , compensation schedule, benefits, paid leave, and policies such as equal employment, Americans with Disabilities, sexual harassment, FMLA, and the use of technology. We will continue to refine, adapt, and customize the policies for review and adoption of the manual by the Borough Council.

Item: Sewer Surcharge Fees

The Sewer Surcharge fees have not been sufficient to cover the required operation and maintenance (O&M) projects and the stormwater management MSR projects that must be completed as part of the EPA consent order.

Action: The GRS team is reviewing the history of the fees and working with the Borough Engineer to identify mandatory activities and projects that should be included in the 2017 budget. GRS is also reviewing the fees currently assessed by adjacent communities in the ALCOSAN service area to determine whether there should be an adjustment to the established sewer surcharge fees. There is a progress report due to ALCOSAN no later than December 1 at which time the Borough must have a plan that addresses sanitary sewer overflows and stormwater infiltration.

Item: Teamsters Contract

The current collective bargaining agreement has been challenged through the filing of an “unfair labor practice” with the PLRB based on the process used to implement the agreement. There is currently no CBA in place – the current contract expired at the end of 2014.

Action: At the request of Council, GRS worked with the Solicitor and the Teamsters to set up a meeting to discuss a possible settlement of the “unfair labor practice” and develop a final proposal for the settlement of the CBA contract. A meeting has been scheduled with the Teamsters attorney and business manager for November 22.

Old and Continuing Items

Item: 2015 Audited Financial Statements and Management Letter

Several issues related to financial reporting, late state reporting, and pension administration, specifically the deposit of state aid funding and the delinquent payment of the Borough’s Minimum Municipal Obligation (MMO) were identified as findings and deficiencies. Some of these deficiencies have resulted in interest and penalty payments and delay in the receipts of state funding.

Action: GRS has opened discussions with the Borough auditors and will work with the Borough Administrator/Treasurer to address findings and deficiencies that have been reported. A final report and analysis will be provided to Council. **Several of the recommendations for improving internal controls will be presented to the Council for review and approval during the 2017 budget process.**

Item: Agendas and Meetings

The Borough is charged with ensuring that citizens have access to the public meetings where decision-making takes place in order to provide a foundation for establishing trust in local government. An established formal agenda for the regular Council meeting is the basis for providing access and ensuring transparency.

Currently, **detailed** agendas are not provided to officials in advance of the public meetings (including Committee meetings and executive sessions), along with materials, documents, or commentary essential to understanding the business items that will come before the Council. Furthermore, the agenda is not available to the public in advance of Council meetings and is not made available on the Borough's website. In fact, a detailed agenda is not available at the Council meeting. This is a violation of the Sunshine Act which requires that the public agency (Borough) give the public the opportunity to comment on all agenda items in advance of the vote on those items. Without a detailed agenda, the public does not have information about what action Council will take.

Action: GRS will continue to develop and expand the detailed agenda for Committee meetings and Council meetings by attending the Committee meetings, soliciting information from Council President, Council members, and staff, and distribute agendas with supporting information on the Friday before the regular Council meeting. **GRS is committed to having these agendas available on the website and at the meeting in order to encourage public engagement.**

Item: Codification of Borough Ordinances

The codification of Borough ordinances is in progress but requires additional attention, review, and final approvals in order to complete the project. This should be moved to a high priority item.

Action: Questions that have been posed by General Code Publishers will be addressed and a final draft of the document will be prepared. The draft will be reviewed by the Police Chief, Solicitor, Secretary/Treasurer, and GRS. Eventually, the codified ordinances will be maintained on-line through General Code® Publishers and will be updated as ordinances are adopted. **The GRS team is working with Borough staff to conduct final reviews and to respond to final questions in order to advance the final draft. The goal is for adoption of the codification document no later than December 31.**

Item: Financial Reporting

Monthly financial reporting is not consistent with standard governmental reporting for local governments. Many of the current reports are redundant and other reports are not really providing useful information for Council. Also, regular financial reports are not provided for public consumption through the website.

Action: GRS and the Borough Administrator/Treasurer will work to restructure the budget comparison (profit-loss) report and will provide balance sheet information that is reconciled to bank accounts. This information will be presented to the Finance Committee for review and advice. Better financial reporting will provide Council with important information moving into the budget season. **The GRS team is currently working with the Borough Administrator/Treasurer to provide the best possible monthly financial reporting for the Council in a user friendly document. The period ending October 31 will be presented to the Finance Committee at the meeting on November 10.**

Item: Minimum Municipal Obligation

State aid to the pension funds has not been paid to the funds in a timely manner in previous years. Furthermore, the Minimum Municipal Obligation has not been paid on time and has resulted in significant penalty and interest payments. In the past, the certified MMO has not been presented to Council by September 30 as required by Act 205 and has not always been shown in the budget accurately.

Action: The certified MMO requirements were distributed to Council on September 30 and will be reviewed with the Finance Committee for inclusion in the 2017 budget. State aid will be deposited in the pension funds in a timely manner. All MMO payments will be made by December 31. A comprehensive review of the payments made and the penalty interest applied has been prepared and will be presented to the Finance Committee on Thursday, October 13, 2016. **With Council's approval, we have completed all MMO payments and presented all invoices to the pension administrator to be paid and addressed all findings in the pension audit as of October 31, 2016.**

Item: Records Management

The current storage of both electronic and paper files and the integration of each with regulatory standards and the PA record retention schedule is deficient and disorderly. It is difficult to retrieve information and data without expending significant staff time and resources. Records (both hard copy and electronic) must also be available for retrieval for "right to know" requests.

Action: "Content management solutions" are now available that allow employees to scan and store digital information in a format that provides the ability to easily retrieve the data. Building a fully integrated process can be accomplished partly through the conversion of existing records to searchable microfiche and partly by moving to a paperless business environment that includes searchable document technology, mobile applications, and public portals that provide additional transparency. This move to a paperless environment should be a priority for the Borough. **GRS will explore and provide information to Council about the implementation of such a system.**

Item: Zoning Applications

No forms were available in the Borough Office for zoning permits, conditional use, special exceptions, and subdivision and land development applications. No formal process is in place for accepting these applications and processing them for the Planning Commission.

Action: GRS has provided forms to the Borough for these purposes and will work with staff to establish a formal process for these applications. **Processes for dealing with zoning hearings and subdivision and land development applications will be written and provided to staff.**

Kilbuck Township Transition

Item: DPW Services Agreement After the cancelation of the administrative agreement with Kilbuck Township, it was determined that an agreement for public works services had never been put in place for snow removal and other public works services.

Action: In order to accomplish an orderly and speedy transition, GRS worked with the Borough staff and Solicitor to develop the elements of a DPW services agreement that sets forth the terms, conditions, rates, and services to be provided to Kilbuck Township and a method to indemnify and protect the City workforce and resources. **GRS team continues to work with Dilmore on the PW services contract through December 31, 2016 in order to effect final execution of the agreement. GRS team is in the process of preparing a fully developed contract to execute for services beginning January 1, 2017.**

Issue: Transfer of Kilbuck Administrative Services It is necessary to transfer paper files, financial data, banking information, communication devices and vendor contacts to the Township officials and staff.

Action: GRS and the Secretary/Treasurer are working to coordinate the transfer of files, data, financial documents, minutes, correspondence, banking information, pension administration, communication and vendor contacts in an orderly, effective and speedy manner. GRS will work with the Secretary/Treasurer to prepare a Kilbuck Transition Report to be distributed to the Council and to the Supervisors. This report will address open items, projects, and progress relative to active issues. **This has been completed.**

Submitted by: *Deborah J. Grass*
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October 10, 2016