

CITY OF DUBOIS/SANDY TOWNSHIP JOINT BOARD MEETING MINUTES

Monday, May 16, 2022 @ 6 p.m.

City Council Chambers, City Building, 16 West Scribner Avenue, DuBois, Pennsylvania on Wednesday, May 16, 2022 @ 6 p.m. the DuBois/Sandy Joint Board convened. Board Members present were: Barry Abbott, Jim Aughenbaugh (by Telephone), Bill Beers, Diane Bernardo, Shane Dietz, Shannon Gabriel, Sam Mollica, Kevin Salandra, Mark Sullivan, and Edward Walsh. Also present: Township Manager, Shawn Arbaugh; Sandy Township Police Chief, Kris Kruzelak; DuBois Police Chief, Blaine Clark; City Engineer/Public Works Director, Chris Nasuti; DuBois/Sandy Joint Board Solicitor, Chris Gabriel; Adam Shienvold, Esquire – Eckert Seamans; LeeAnne Rogers – Pennsylvania Economy League; 9 Person Consolidation Committee Chairman, Dick Whittaker; and City Secretary, Bobbie Shaffer.

The meeting was called to order at 6 p.m. and the Pledge Allegiance was led by Kevin Salandra.

Public Comments on Agenda Items Only

No Public Comments

Approval of the Minutes from the May 2, 2022 Meeting

The motion was made by Beers and seconded by Sullivan that the DuBois/Sandy Joint Board approve the minutes as presented by the City Secretary. Roll call was as follows: Abbott, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 9 – 0. Aughenbaugh had not yet connected by telephone and did not vote.

Executive Session for Personnel & Legal Matters was called by Kevin Salandra at 6:02 p.m.

The DuBois/Sandy Joint Board reconvened at 6:58 p.m.

Tabled/Unfinished Business

RFP for Ambulance Services

Solicitor Gabriel asked Beers if he wanted to address this item this evening; he went on to say that Beers was going to get him information and he has not received it yet. Gabriel asked if he would like to table it once again. The motion was made by Abbott and seconded by Beers that the RFP for Ambulance Services be tabled until the next meeting. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

New Business

Consultant Detailed Report

Attorney Shienvold presented each board member with a memo referenced “Consultant’s May Status Report” which he believes addresses the issues the board wanted clarified at their previous meeting. The memo was put together in conjunction with LeeAnne Rogers from the PA Economy League and LaToya Bellamy from Eckert Seaman.

Attorney Shienvold proceeded in going over the memo point by point.

**ECKERT SEAMANS CHERIN & MELLOTT, LLC
IN CONJUNCTION WITH PENNSYLVANIA ECONOMY LEAGUE**

M E M O R A N D U M

TO: Joint Board on Consolidation of City of DuBois and Sandy Township

FROM: Adam M. Shienvold, Esquire – Eckert Seamans
LaToya Winfield Bellamy, Esquire – Eckert Seamans
LeeAnne Rogers – Pennsylvania Economy League
Gerald Cross – Pennsylvania Economy League

DATE: May 16, 2022

RE: Consultants' May Status Report

INTRODUCTION

Eckert Seamans and Pennsylvania Economy League (collectively referred to as "Consultants") were engaged by the 10-person Joint Board to assist in the development of a multi-year financial historical financial review and forecast, combined budget for the first consolidated year and Joint Consolidation Agreement to be implemented by the municipalities. As part of the engagement, the Consultants' work is largely funded by and guided by the Pennsylvania Department of Community and Economic Development (DCED) and their Strategic Management Planning Program (STMP).

Specifically, Consultants are to work with the nine-member Consolidation Committee (and subcommittees) to help with creating the design and plan of a consolidated government. Consultants are to prepare and deliver to the Consolidation Committee the following:

<u>Reports</u>	<u>Anticipated Delivery</u>
Phase I	
• Financial Condition Assessment and Fiscal Trend Analysis For City of DuBois and Sandy Township	June 8, 2022
• Baseline Consolidated Budget Draft	June 8, 2022
• The STMP Report Draft	June 15, 2022
• Proposed Combined Budget	July 15, 2022
<i>This will be a working draft that will be updated and revised based on decisions made by the Consolidation Committee and Joint Board as the Project proceeds</i>	
Phase II	
• Multi-Year Plan and Strategy Implementation Schedule	August 15, 2022
• Final STMP Report and Recommendations	August 15, 2022
• Draft Consolidation Agreement	September 2022

The Consultants' engagement began in February 2022. Below is a status of the tasks completed to date, tasks in process and tasks not yet started. Also discussed are a proposed timeline as well as progress of the subcommittees.

STATUS REPORT

Consultants are currently working on the STMP Report and Draft Consolidation Agreement in various respects and moving parts.

✓ TASKS COMPLETED

To date, Consultants have been assigned the tasks of attending subcommittee meetings¹ and responding to questions of legal and technical nature. Within those tasks, Consultants have provided legal and practical guidance on:

- Local taxation options;
- Guidance on pension strategies;
- Guidance on uniformity of codes and zoning;
- Guidance on public notice requirements;
- Options for the future of existing municipal authorities²;
- Review and analysis of current economic trends in context of municipal expenditures;
- Transition plan for elected officials;
- Guidance and response to ad hoc questions regarding subcommittee process, tasks
- Existing debt analysis; and
- Structure for fire department and guidance on transition for affiliated or related non-profit organizations.

Consultants have also requested and gathered various documents from the municipalities related to budget and finance, personnel, operations, contracts, vendors and other areas.

✓ TASKS IN PROCESS

- Finalizing the Financial Condition Assessment and Fiscal Trend Analysis Report and Baseline Consolidated Budget
 - This task includes gathering all financial and budget-related information from both municipalities;
 - Reviewing materials, including audit records, budgets, historical financial statements;

¹ The City of DuBois in Cooperation with Sandy Township, Clearfield County Strategic Management Planning Program Proposal ("RFP"), page 7, IV(b)(2), includes within the Consultants' scope of work to "[o]rganize, attend, and conduct all meetings of the Joint Agreement Committee along with all subcommittee meetings." The attendance at and participation in these meetings has been a foundational source of information for the Consultants in preparing all of the deliverables contemplated under the RFP and contract.

² Consultants are reviewing the implications of potential abandonment of a PA Public Utility Commission certificate as it relates to the options available for continuing vs. dissolving existing municipal authorities.

- Updating and analyzing of financial history for two municipalities and presenting in similar and comparable format;
- Creating a combined budget, aligning revenue and expenditure from two different municipalities and accounting formats into one comparable format;
- Testing assumptions: multiple financial analysts and consultants working to review and test assumptions and methodologies used in analyses;
- As needed, consulting with municipal staff and representatives.
- **Compiling/Drafting the STMP Report Draft**
 - Documenting existing operations with focus on options for consolidation;
 - Participating in/monitoring subcommittee discussions to document recommendations;
 - Gathering consolidation process and recommendations for final STMP Report;
 - Where possible, documenting policy decisions to inform joint agreement;
 - Consulting with DCED staff to identify potential future grant opportunities.
 - Analysis of revenue options
 - Provided finance subcommittee with resources on tax options for 3rd Class Cities
 - Non-taxation revenue generation analysis; need additional input from subcommittee members on this request
 - Labor and Pension/Benefit Analysis
 - The RFP requires review of all current collective bargaining agreements, employment agreements, other relevant contractual agreements, and to make recommendations regarding cost containment and cost sharing for relevant departments and operations.
 - Consultants have begun review and analysis of CBAs and benefit plans.
 - Consultants are working to develop a schedule for negotiation, coordination and implementation of appropriate agreements in time for January 2026 consolidation date, including implementation of civil service requirements for the new city; this will be part of the Consolidation Agreement and multi-year implementation plan to be delivered later in the project
- **Draft Consolidation Agreement**
 - The Draft Consolidation Agreement will reflect the various financial and policy decisions and recommendations that are drawn from the Financial Condition Assessment and Fiscal Trend Analysis, the Consolidated Budget, and the STMP Report;
 - Will require additional work by select subcommittees to reach consensus on overarching operational and financial management;
 - Will involve development of agreement as to initial operation of consolidated government, including codes, zoning, taxation, public works and public safety;
 - Anticipated that initial working draft will be completed in late August, allowing for sufficient time for Consolidation Committee and individual municipal bodies to review, revise, and negotiate final terms before statutory deadline of November 2022 (1 year after certification of 2021 election).

✓ TASKS NOT STARTED

- Combined Budget
 - This report is tied to the baseline and dependent on policy decisions to model
- Implementation Schedule
- Legal analysis and outline of steps necessary and timeline associated with the municipalities' selected ownership and operation of the utility systems

✓ TIMELINE ANALYSIS

The Consolidation Committee created seven subcommittees to address various aspects of the consolidation effort. The work of the subcommittees has been diligent, and the cooperation between the various subcommittees, and the members of each subcommittee, has been commendable. Not all tasks are done, and there remains work to be done in areas where multiple subcommittees have input on the issues to be considered (for example, public works, administration, and finance all are involved in discussion of water/sewer utilities). Work also remains for the newly created subcommittee looking at parks and recreation. This work is ongoing, and evolutionary in its progress, and the Consultant team continues to work with the various subcommittees to develop options and recommendations for consolidation of these essential government services.

PROJECT BUDGET

Based on a review of project expenses through the first four months, the Consultant team is operating within budget. As we approach the midpoint of the project timeline, total costs and expenses are just under 50% of the proposed budget, with a significant amount of the overall Consultant work concentrated in the early phases of the project for investigation and analysis. Per the contract, the budget for the project is not-to-exceed the proposal price; the Consultants carry the entire risk of exceeding the proposed budget.

OTHER ITEMS TO CONSIDER:

The Consultants have been working with the Solicitor on improving and maintaining the multi-channel communication between the Consolidation Committee and subcommittees and the Consultant team. Although there have been, from time-to-time, communication gaps between the various subcommittees, the Consolidation Committee, and the Consultants, we have been continuously working to improve the communication protocols to ensure that efficiency is maintained without sacrificing the Consultants' ability to provide input on key issues, and without overwhelming the Consolidation Committee, Solicitor, or subcommittee chairs. This is a continually changing dynamic, given the evolving tasks and projects of the Consolidation Committee and the subcommittees.

Mr. Salandra asked Attorney Shienvold about taxes. Attorney Shienvold stated that the consultants will help with a tax structure but not a tax rate. He went on to say that there must be a revenue stream coming into the new City on day one so we have a lot of work to do between now and then. He reiterated, the consultants will not be in the determination to set the tax rate just the structure.

Mr. Abbott asked about millage limits. Attorney Shienvold stated it is premature to talk about millage. Mr. Abbott asked if there is a limit for a 3rd Class City. Shienvold and Rogers stated there is a limit, but they can't quote that. The consultants will make a recommendation on what is allowed and what is not. We need to be careful because what you can do in 2026 may change from what you can do in 2022. There is going to be all kinds of changes in government by 2026; several elections. The consultants give us structure to make the best decision, it is the 10 Person Joint Boards who makes policy decisions; the consultants are only here to help.

Communications with Consultants

Attorney Shienvold stated that the consultants are working and are available. There has been a lot of issues in a wide variety of areas and different subjects. They have 10 experts who are experts on a variety of subjects. He stated if the Joint Board is concerned, please let them know. They work for the board.

Mr. Abbott asked if Attorney Shienvold has a specific date to give the Financial Analysis to the 10 Person Board. Attorney Shienvold said no as the reports are delivered to the 9 Person Consolidation Committee to debate, vet then send on to the 10 Person Joint Board. Shienvold stated it is important to have consistent communication between the 9 Person Consolidation Committee and the Consultants.

The motion was made by Gabriel and seconded by Beers that the DuBois/Sandy Joint Board request that City Manager Suplizio and Sandy Township Manager Arbaugh be included in all communication between the consultants and Solicitor Gabriel. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

Update from 9 Person Committee Chairman, Dick Whitaker

The 9 Person Consolidation Committee and sub-committees are doing a great job. He is expecting to hear from the 10 Person Joint Board on some of the items that have been passed up to them. He believes the consultants will be assigning more tasks shortly. Also, if they would like the sub-committee chairmen to attend please let him know.

The motion was made by Gabriel and seconded by Beers that Police Sub-Committee Chairman, Sandy Township Police Chief Kruzlek, present his Powerpoint to the Joint Board at their next meeting. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

Paying of Invoices from Eckert Seamans & Pa Economy League

Company	Description	Invoice Amt.	5% DuBois	5% Sandy	Total Submit
Eckert Seamans	Service Thru 04/30/22	\$26,961.50	\$1,348.07	\$1,348.08	\$24,265.35

The motion was made by Walsh and seconded by Gabriel that the DuBois/Sandy Joint Board approve paying the invoice as proposed above. Roll call was as follows: Abbott, yea; Aughenbaugh, yea;

Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

Public Works Sub-Committee Assignments Recommendation

Sub-Committee Chair Nasuti stated that this submission included an organizational chart and job description. This plan falls within the existing budget, by replacing contracted work with in house skilled employees. It turns the department into two divisions: Utilities and Street & Facilities

The motion was made by Beers and seconded by Gabriel to table this item until we receive all recommendations and can forward them all to finance at the same time. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

Police Sub-Committee Presentation – For Comment

Ms. Gabriel felt there is a lot to this presentation and it is a very complex issue. Mr. Salandra stated as it has already been voted on to have Chief Kruzela present this at the next meeting he did not feel a vote was needed.

Update from Township Manager, Shawn Arbaugh, concerning DCED Meeting DuBois/Sandy Township Consolidation of Public Facilities Grant Request Letter

He thanked Rick Vilello and Terri Cunkle from DCED for meeting with him and City Manager Suplizio. He is just asking for support for the letter drafted requesting a \$9,000,000 grant.



City of DuBois
16 W. Scribner Ave.
PO Box 408
DuBois, PA 15801
(814) 371-2000

Sandy Township
1094 Chestnut Ave
PO Box 267
DuBois, PA 15801
(814) 371-4220



May 17, 2022

Richard Vilello, Deputy Secretary Community Affairs and Development
Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

RE: DuBois City / Sandy Township Consolidation of Public Facilities Project

Dear Mr. Vilello,

The City of DuBois and Sandy Township greatly appreciate the State's assistance in supporting and facilitating the consolidation effort of the two Municipalities. We believe we have made excellent progress thus far and look forward to working together for a smooth and efficient transition in the future.

To have a successful consolidation and provide efficient Government services, the City of DuBois and Sandy Township recognize that the Administrative Employees and Police Officers will all need to operate out of one location and the amount of existing fire companies will need to be reduced. To assist in achieving these objectives, we humbly request monetary assistance for the following three projects. Assistance with these projects will allow for us to streamline consolidation processes, provide a more efficient Government, and maintain affordable tax rates in the new community. The total estimated cost of the three projects is \$9 million.

1. Building project No. 1 is a Municipal Building expansion of the existing City Building in the amount of \$4 million to allow for combining the Administration and Police Departments into a single office building, constructing a Sally Port for the Police Department, and rehabilitation of the parking area.
2. Building project No. 2 is the construction of a new Fire Station in the amount of \$3 million located along Maple Avenue to combine two existing fire companies into one and provide for a conference room to be utilized by the new Municipal Government.
3. Building project No. 3 is a new Fire Station in the amount of \$2 million along the Route 255 corridor to serve Treasure Lake and the Interstate 80 corridor.

Thank you for your assistance. If there is anything else you need, please do not hesitate to contact us.

Sincerely,

John "Herm" Suplizio
City of DuBois – Manager

Shawn Arbaugh
Sandy Township Manager

The motion was made by Gabriel and seconded by Sullivan that the DuBois/Sandy Joint Board authorize sending the letter to Richard Vilello requesting a \$9,000,000 grant from DCED. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

Joint Board Member Comments

Jim Aughenbaugh – Sub-Committees have done a lot of hard work. Great job.

Diane Bernardo – Asked if Sandy Township had used all of its COVID money; if not that could be used for the police. If you have, Clearfield County still has some available; ask for more. Manager Arbaugh stated that theirs is tied up on projects; they will have to ask for more.

Mark Sullivan – Concerning the drug task force, he felt at the last meeting Sandy Township came off as not wanting to help. He stated that is not the case, Sandy Township is up against millage; they just can't commit to more officers without cutting something else out. He went on to talk about the cost of fuel and how it will take a millage just to run the day to day operation. Budget time is when the discussion about a Drug Task Force needs to be brought up.

Barry Abbott – Commends people on the committees and thanked the consultants. He has been looking at the things coming through to send on to Finance. When he is at the 10 Person Joint Board he is representing the new City, but when he walks out the door he is wearing a different hat, he is representing Sandy Township. It is quite the challenge working on creating a new City; Sandy Township officials need to concentrate on what is best for Sandy Township until the new City is formed.

Sam Mollica – Stated he doesn't get too excited, this is going to be a long process; 2026 is a long time from now. We have lots of time to work out problems and compromise.

Bill Beers – Two municipalities turning into one. We do not have an open checkbook; we need to keep in mind we have an elderly population on fixed incomes. We need to have better communication between everyone and not a lot of back room meetings going on.

Open Meeting to the Floor

Dick Whitaker – 10 Person Joint Board makes all the decisions but they have to keep in mind that a decision they make today may have to be changed as time goes on.

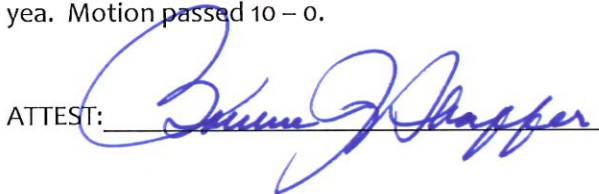
Edward Walsh – Attorney Shienbold, very good report.

Close Meeting to the Floor

Adjourn

There being no further business to transact; the motion was made by Walsh and seconded by Sullivan that the Joint Board adjourn. Roll call was as follows: Abbott, yea; Aughenbaugh, yea; Beers, yea; Bernardo, yea; Dietz, yea; Gabriel, yea; Mollica, yea; Sullivan, yea; Walsh, yea; Salandra, yea. Motion passed 10 – 0.

ATTEST:



APPROVED:

