

CITY OF DUBOIS AND SANDY TOWNSHIP

CONSOLIDATION STUDY



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Executive Summary

In April 2020, the Pennsylvania Economy League Central Division (PEL) entered into an agreement with the city of DuBois and Sandy Township to study the financial and operational impacts of consolidating the city and township into a single municipality. The Center for Government Research (CGR) served as the subconsultant for the operational and management evaluation portion of this study.

The study examines potential positive and negative outcomes for the municipalities and their residents, including tax and utility fee implications, service levels, staffing, facilities, collective bargaining, pension plans, and impact on the federal community development block grant and state road drainage programs, among other items.

The fire departments of the two municipalities are undergoing a separate consolidation study funded by the state Department of Community and Economic Development.

This executive summary presents a synopsis of the financial analysis and the impact of a consolidation on taxes and utility rates. Additionally, the executive summary provides some of the positive and negative implications of a consolidation and PEL's recommendations for the municipalities based upon the completed study's findings.

Financial Analysis

An analysis of the 2020 budgets of DuBois and Sandy Township shows that a combined municipality would experience a balanced General Fund budget by establishing a uniform property tax rate of 16.06 mills with no special purpose districts for hydrant and streetlight services and up to 17.6 mills for those with both special districts. This rate assumes the elimination of over \$500,000 in duplicate position costs through a combination of attrition and buyout packages. It also assumes no new positions are created.

Current property tax millage is 23.5 mills in DuBois and 18.25 mills in Sandy Township.

The property tax rate for the combined municipality could also be adjusted through other means, such as potential increases to the earned income tax assuming the combined municipality was organized under home rule as recommended.

Table E-1 shows the potential impact on a median assessed value owner-occupied property using the combined municipal budget that eliminates duplicate position costs.

Table E-1

*Post Consolidation Estimated Millage Rates and Financial Impact for a Median Assessed Value
Owner-Occupied Home*

	DuBois	Sandy	Sandy	Sandy	Sandy
	GF, Hydrants + Streetlights	GF	GF + Hydrants	GF + Streetlights	GF, Hydrants + Streetlights
General Fund (GF) Mills	16.06	16.06	16.06	16.06	16.06
Special District Mills:					
Hydrants	0.72	—	0.72	—	0.72
Streetlights	0.82	—	—	0.82	0.82
Total Millage	17.60	16.06	16.78	16.88	17.60
Median Assessed Value	\$14,442	\$23,537	\$23,537	\$23,537	\$23,537
Median Property Tax Consolidated Muni	\$254	\$378	\$395	\$397	\$414
Difference from Current Taxes	-\$85.00	-\$52.00	-\$35.00	-\$32.00	-\$15.00

Utility Funds

Sewer and water utility funds have a considerable impact on the finances of both current municipalities, particularly in DuBois.

DuBois sells water and wastewater treatment directly to both the township and to township residents at lower rates than city customers. The township in turn also sells water and wastewater treatment to a group of township customers at rates currently higher than the DuBois rates.

The tables below show the average amount that residential customers pay now for utilities compared to the projected rate for residents under a consolidated municipality. The projected rates are the current city resident utility rate adjusted to ensure that both utility funds net to zero.

The annual savings for Sandy Township customers billed by the township ranges from \$223 to \$411. Sandy Township customers billed by DuBois and current DuBois customers would see annual increases of \$106 and \$25, respectively.

Table E-2

*Sandy Township average usage of 3,000 gals/month water service only as of January 1, 2021
including inactive accounts*

	Number of Households Water Only	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Billed by Sandy Township	226	\$12.25	\$48.00	\$60.25	\$723.00
Billed by DuBois	709	\$7.00	\$16.50	\$23.50	\$282.00
Consolidated Municipality:					
Prior Sandy Billing	226	\$10.00	\$22.32	\$32.32	\$387.84
Prior DuBois Billing	709	\$10.00	\$22.32	\$32.32	\$387.84
Water Only Savings/Increase:					
Prior Sandy Township Billing	226				-\$335.16
Prior DuBois Billing	709				\$105.84

Table E-3

Sandy Township average usage of 3,000 gals/month sewer service only including inactive accounts

	Number of Households Sewer Only	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current Sandy Township Rate	813	\$12.25	\$55.50	\$67.75	\$813.00
Consolidated Municipality Rate		\$5.00	\$44.22	\$49.22	\$590.64
Sewer (Savings)/Increase:	813				-\$222.36

Table E-4

Sandy Township average usage of 3,000 gals/month both water and sewer including inactive accounts

	Number of Households Water/Sewer	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current Sandy Township Rate	716	\$12.25	\$103.50	\$115.75	\$1,389.00
Consolidated Municipality Rate		\$15.00	\$66.54	\$81.54	\$978.48
Water and Sewer Savings/Increase:	716				-\$410.52

Table E-5

DuBois residents with adjusted water and sewer rates at 3,000 gals/month

	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current DuBois Water and Sewer Rates	\$15.00	\$64.50	\$79.50	\$954.00
Consolidated Municipality Rates	\$15.00	\$66.54	\$81.54	\$978.48
Total annual increase				\$24.48

NOTE: Tables E-2 through E-5 were developed using an average consumption of 3,000 gallons/month. Facilities and residences using in excess of 3,000 gallons/month will realize a larger annual utility savings.

These sewer and water figures are baseline and do not consider any other adjustments that would result from a new municipality, as will be outlined in later chapters of this report.

Total Tax and Rate Impact

The tables below analyze the estimated total tax and utility impact of a consolidated municipality on a median assessed value owner-occupied property in DuBois and Sandy Township using the combined budget and projected utility rates. Currently, Sandy Township property owners with a median assessed value home pay \$430 in annual property taxes compared to \$339 for DuBois residents with a median assessed value home.

Table E-6

Post consolidation estimated total financial impact Sandy Township¹

	No Special District Millage	Hydrant Millage	Street Lights Millage	Hydrants and Street Lights
Sandy Twp Tax Savings	-\$52	-\$35	-\$32	-\$15
Water Only Difference:				
Billed by Sandy Township	-\$335	-\$335	-\$335	-\$335
Billed by DuBois	\$106	\$106	\$106	\$106
Net Utility and Tax Difference:				
Billed by Sandy Township	-\$387	-\$370	-\$367	-\$350
Billed by DuBois	\$54	\$71	\$74	\$91
Sewer Only Difference	-\$222	-\$222	-\$222	-\$222
Net Utility and Tax Difference	-\$274	-\$257	-\$255	-\$238
Water and Sewer Difference	-\$411	-\$411	-\$411	-\$411
Net Utility and Tax Difference	-\$462	-\$445	-\$443	-\$426

Table E-7

Post consolidation estimated total financial impact DuBois²

DuBois Tax Savings from Table 2-16	-\$85
Adjusted Water and Sewer Rates	\$24
Net Utility and Tax Difference	-\$61

¹ Totals might not add due to rounding

² Total might not add due to rounding

Implications of Consolidation

The immediate potential impact is lower net property tax payments and utility fees for most residents as outlined above. Treasure Lake residents in Sandy Township receive their water and sewer services from Aqua America and so would see no difference in their utility rates. However, they would see a reduction in their property tax rates based on the assumptions that were used.

Improved long term regional financial health is another main benefit of consolidation for all municipal constituents in the city of DuBois and Sandy Township. Fiscally healthy municipalities are able to provide for the health, safety and welfare of their citizens; pay principal and interest on their debt obligations when due; meet financial obligations to their employees, vendors and suppliers; and provide for proper financial accounting procedures, budgeting and taxing practices.

Both municipalities are exhibiting signs of fiscal challenges. For example, DuBois and Sandy Township each experienced deficits three out of five years from 2015 to 2019. Sandy Township is just one mill away from its general purpose cap on property taxes, which is an indication of distress. Projections show both municipalities will experience deficits in the next five years.

Current city property owners most likely would see a property tax decrease, which is obviously a benefit and could be used to help market the new municipality to businesses, residents and developers interested in a more urban environment, particularly when it comes to downtown. Many cities are seeing a renaissance in downtown apartment living from empty nesters and younger adults who are attracted to the walkability, lack of yard work and similar perks. Lower property taxes on downtown buildings could spark interest in local developers, particularly if combined with other incentives. Consolidation will also provide the vehicle for establishing consistent zoning, land use and development regulations.

In fact, the new municipality would be at an advantage in terms of economic and community development in that it would have different environments (urban, suburban, rural), pricing levels and housing stock variety and age to satisfy different needs and desires of potential residents and businesses. There also might be additional capacity in a larger, combined municipality to focus more resources on community and economic development in terms of a dedicated position and more clout for grants that can come with a larger municipality.

Other benefits were identified on savings and services. The goal of all sustainable communities is to provide the services required to meet the health, safety and welfare needs of the community at the lowest cost. This report identifies areas where a combined municipality could save money, from the elimination of duplicate positions (estimated \$558,127 savings) to potential movement to the township's lower cost health insurance (estimated \$371,000 savings). Other potential savings are dependent on decisions made by the new municipality.

These savings would help to maintain or improve, as oppose to reduce, the current service level. Meanwhile, employees in the new municipality would benefit from larger departments that have increased opportunities for advancement and specialization.

Each current municipality will contribute its own unique benefits and resources to the consolidated community that will result in a more cohesive, flexible, marketable and efficient local government entity. An example of some of those unique benefits and resources include:

- The city of DuBois has an expansive park system that includes state-of-the-art baseball and softball fields, a community swimming pool, playground, an amphitheater and many walking trails/parks.
- Sandy Township contains large residential, commercial, and industrial areas available for attracting new business to the community.
- The city of DuBois owns a vast amount of property, timber, natural resources and other facilities valued at \$45 million.
- Sandy Township owns a large underutilized 12-acre park with a potential for additional development and contains numerous areas for future walking/biking trails for enhanced recreational opportunities.

Consolidating under home rule, as recommended by this report, gives the communities the ability to form a government structure that truly reflects community needs and the way a modern municipality functions. The community will be able to decide the size of the governing body, how the municipality runs day to day, the number and type of elected officials and more.

Tax structure could also be determined based on local needs as opposed to state municipal code mandates. For example, a slightly higher earned income tax only available under home rule would grow more naturally as people's wages increase, potentially lessening or eliminating the need for property tax increases.

Different constituency groups could also be considered in the tax mix. Retired individuals on fixed income, for instance, would not pay a higher earned income tax but could benefit from a property tax decrease. Businesses also would benefit since they do not pay earned income tax. Right now, increases on property taxes are the only way to obtain a higher amount of tax revenue since all other taxes are at their maximum levels under state codes.

In addition to personnel, consolidation will have an impact on some areas of concern, such as a probable reduction in Community Development Block Grant funds, and little to no impact on other areas, like hunting and maintenance by the state of certain portions of the stormwater management system.

In terms of cons, the major issues are the loss of Sandy Township's annual CDBG appropriation and costs the two municipalities could incur through the consolidation process. There is little in the way of dedicated state grant funds to pay for these costs. The most prudent course for the municipalities is to reach out to their state representatives about potential funding and possible "hold harmless" legislation concerning CDBG funding. Impact on municipal employees through reductions in overlap and duplication could be kept to a minimum using attrition and buyouts.

Summary of Key Recommendations

The Pennsylvania Economy League team explored multiple aspects of consolidation in depth in the following report. Below is a summary of key recommendations. For a complete discussion of these and other issues, please see the individual chapters and appendices of this report.

- 1. Given the financial and demographic situation of the city and the township, the DuBois City Council and the Sandy Township Board of Supervisors should move forward with the consolidation process to ensure regional local government sustainability.**
 - a. Follow the provisions of the state Municipal Consolidation or Merger Act.
 - b. Appoint a Joint Committee made up of citizens from both communities to lead the process rather than having it driven only by elected officials or outside consultants.
 - c. Develop a Joint Agreement under the Joint Committee that will provide a framework for the two municipalities to combine.
- 2. Consolidate as a city under a home rule charter in the Joint Agreement**
 - a. Home rule provides the most flexibility to determine a government that meets local needs and allows development of a tax structure that fits the local tax base.
 - b. Maintain city classification in order to take full advantage of state Community Development Block Grant funding.
- 3. Use efficiencies, eliminate duplications to reduce costs**
 - a. Several staffing positions are clear duplications that can be eliminated while others will require more internal review to sort out redundancies; set new salaries appropriate to market conditions.
 - b. Make use of attrition and/or buyouts where feasible and appropriate so that the savings from eliminating a position is clearly higher than any related buyout costs.
 - c. Place all employees on the lowest cost health care plan as possible (this might require collective bargaining negotiations)
- 4. Consider tax options for the combined municipality that are both appropriate for the community and maximize the tax base**
 - a. Home rule permits the municipality to tap into the earned income tax at a higher rate than is permitted under municipal codes rather than be limited to general purpose property tax increases. Currently, Sandy Township is almost at its general purpose property tax limit, which could eventually force it to seek court approval for a higher millage rate if more revenue is needed.
 - b. The new municipality should also consider enacting special purpose service districts as it reviews the total tax mix. This has residents pay fairly for services that only they use.
 - c. Water and sewer assets would be combined with the new municipality. Rates should be set that consider both operations and future capital costs.
- 5. Involve citizens in the process**
 - a. The literature is clear that consolidations fail more often than not, and that successful ones are driven by local leadership giving voice to the community at large as part of the process.
 - b. Consider options such as including wards as part of governing body representation, developing advisory planning districts for resident input and maintaining current zoning to preserve rural and urban neighborhood character.

Chapter 1

Government Structure and Demographics

In April 2020, the Pennsylvania Economy League Central Division (PEL) entered into an agreement with the City of DuBois and Sandy Township to study the financial and operational impacts of consolidating the city and township into a single municipality. This study examines potential positive and negative outcomes for the municipalities and their residents, including tax and utility fee implications, service levels, staffing, facilities, collective bargaining, pension plans, impact on the federal community development block grant and state road drainage programs, among other items. The Center for Government Research (CGR) served as the subconsultant for the operational and management evaluation portion of this study.

In addition, PEL staff participated in discussions with city and township officials. PEL acknowledges and appreciates the full cooperation of all who contributed to the preparation of this study including the DuBois City Council, mayor, manager and staff, and the Sandy Township Board of Supervisors, manager and staff. The analysis could not have been successfully completed without their assistance.

During this study, the project team:

- Examined the demographics of the municipalities and performed a financial analysis examining the impact of consolidation on the general, sewer and water funds as well as implications for citizen tax rates and fees.
- Conducted an operational/management evaluation, which involved a comprehensive review of municipal departments.
- Analyzed the implications of consolidation on factors such as personnel, health care, buildings and facilities, pensions, grants and various other areas of concern.
- Evaluated options for a recommended governmental structure of a new municipality as result of consolidation, as well as advantages and disadvantages of the various municipal classes in Pennsylvania and the option of home rule and provided an outline of the consolidation process.
- Reviewed the outcomes of attempted and successful merger/consolidations to determine impediments to the process and how they were or were not overcome, what financial and other factors caused municipalities to move forward or halt the process.
- Interviewed municipal representatives on their concerns, challenges, priorities and goals of a potential consolidation.
- Conducted a comparison of the collective bargaining agreements for both municipalities.

Government Overview

Government Structure, Staffing, Services and Taxes

City of DuBois. The City of DuBois is in the northwest corner of Clearfield County, just south of Interstate 80, in the west-central part of Pennsylvania. It encompasses 3.2 square miles. Settled in 1812 and platted in 1872, DuBois was incorporated as a borough in 1881 and as a city in 1914. While DuBois was founded as a lumber town, the mining of bituminous coal quickly became the chief industry. The town bears the name for local lumber magnate, John DuBois, who came from a longstanding American family of French Huguenot descent.³

DuBois has been governed by the Third-Class City Code, although in 1980, city residents elected to adopt an optional plan form of government, specifically the council-manager plan, under the Home Rule Charter and Optional Plans Law. Since 1980, the city has been governed by that plan and by the provisions of Third-Class City Code, except where the code is superseded by the structural provisions of the council-manager plan.

The city has seven elected officers and 55 full-time and two part-time staff, as well as contracted services. Elected officers are the five elected members of city council, the treasurer/tax collector and the controller. On the first Monday in January following a municipal election, council elects one of its member to become mayor and president of council.

Departments are those for police, public works, and zoning and codes enforcement. Key appointed staff include the city manager, financial officer, engineer and public works director, IT director, and zoning and codes enforcement officer. The city also contracts with an outside solicitor and independent auditor/certified public accountant whose firms have offices in DuBois. The city has a paid police department with 13 full-time officers, an all-volunteer fire department operating out of five fire stations, and a water department. The City of DuBois water system provides water for its citizens as well as portions of Sandy and Union townships and Sykesville borough. The city's sewage treatment plant provides treatment for the residents of DuBois, Falls Creek borough and portions of Sandy Township. Advanced Disposal provides a variety of waste and recycling services for residential and commercial customers in the city.

Several authorities, boards and committees also support municipal operations. Authorities include those for housing, redevelopment and hospital. The four boards are the Building Code Board of Appeals, the Property Maintenance Board of Appeals, the Zoning Hearing Board and the Library Board. The city also has a planning commission, park committee and watershed committee.

Sandy Township. Established in 1878, Sandy Township, Clearfield County, covers 52 square miles, straddling Interstate 80 and surrounding the City of DuBois. Although lumbering supported the economy the mid-1800s, in 1874 large coal deposits were discovered and mining began. Into the early twentieth century, the coal industry was the major contributor to the economy. Simultaneous with development of the coal industry came the expansion of railroads, including the Baltimore and Ohio Railroad freight yards. Other industries, encouraged by this activity, established plants in the area. Development of Interstate 80 further enhanced commerce. Today, the basis for the area economy is

³ City of DuBois, <https://duboispa.gov/>.

multifaceted, including traditional manufacturing and related support services, health services, transportation, tourism and recreation, retail, and extractive industries and timbering. In a continuing effort to grow the area economy, Sandy Township partnered with the City of DuBois and Falls Creek Borough to form the SDF Enterprise Zones, which afford the ability to apply for competitive loans for economic development. A somewhat unique feature in Sandy Township is Treasure Lake, a large private planned residential development in the northcentral area of the township.

Sandy Township is governed by the Second-Class Township Code. The township has nine elected officials – five supervisors, three auditors and a tax collector – and 31 full-time and one part-time employees, as well as contracted services. Key positions include those of township manager, secretary/treasurer, public works director, municipal engineer, and zoning/codes enforcement officer and planning commission director. The township also contracts with an outside solicitor and independent auditor/certified public accountant whose firms have offices in Chambersburg and Clearfield, respectively.

Departments are those for administration, public works (including departments for sewer, water and roads), building/inspection (including municipal engineer and zoning and codes enforcement officer/planning), and police. The police department has 12 full-time and one part-time officers. The fire department is all volunteer with four fire stations, providing mutual aid to surrounding communities.

A municipal authority for water and sewer, a planning commission and a zoning hearing board also serve the township. The board of supervisors serve as the municipal authority board. The township purchases its water from the City of DuBois. Though operated by the township, the water system is owned by the Sandy Township Water and Sewer Authority.

Sandy Township has four separate sewer systems. One abuts the City of DuBois and flows to their sewage treatment plant. The township operates the Slab Run plant, and the West Liberty service area flows into Sykesville Borough. Aqua, a public utility, provides water and sanitary sewer service for Treasure Lake. The township has a contract with Advanced Disposal to manage garbage and recycling collection.

Demographic Patterns

Introduction

The 2010 population composition of the city and township is somewhat similar, with the age 18 to 65 cohort making up about 60 percent of the population and the remaining 40 percent or so being divided between the under 18 and 65 and over age groups, which is indicative of an aging population. From 1990 to 2018, the city experienced an outmigration of 786 persons, where the township realized an in-migration of 2,310 persons, which were the primary contributors to population change.

From 1990 to 2010, the city realized a 0.9 percent loss in housing units, where the township had a 28.2 percent gain in housing units, with the greatest factor being a respective reduction and increase in the number of owner-occupied homes.

Wealth measurements for the city were below the township, below or comparable to the county, and below the state, while those for the township were above the city and county and varied in

comparison to the state. Measurements were somewhat similar for the city and county, except for percentage of families below poverty where the city gained a higher percentage. All data was derived from the U.S. Census Bureau.

Population

DuBois' population declined from 1970 to 2010, falling by 2,318 residents or 22.9 percent. The largest decrease was from 1980 to 1990 when the city's population fell by 1,004 residents or 10.8 percent. In contrast, Sandy Township's population grew substantially, increasing by 5,265 residents or 98.2 percent; although from 2000 to 2010, the township experienced a loss of 931 persons or an 8.1 percent decline, likely attributed to the Great Recession. Clearfield County realized more modest population growth from 1970 to 2010, increasing by 7,023 persons or 9.4 percent. However, similar to DuBois, the county had a 5,481 person or 6.6 percent decrease from 1980 to 1990, and, to a lesser degree than the city and township, a 2.1 percent decline from 2000 to 2010.

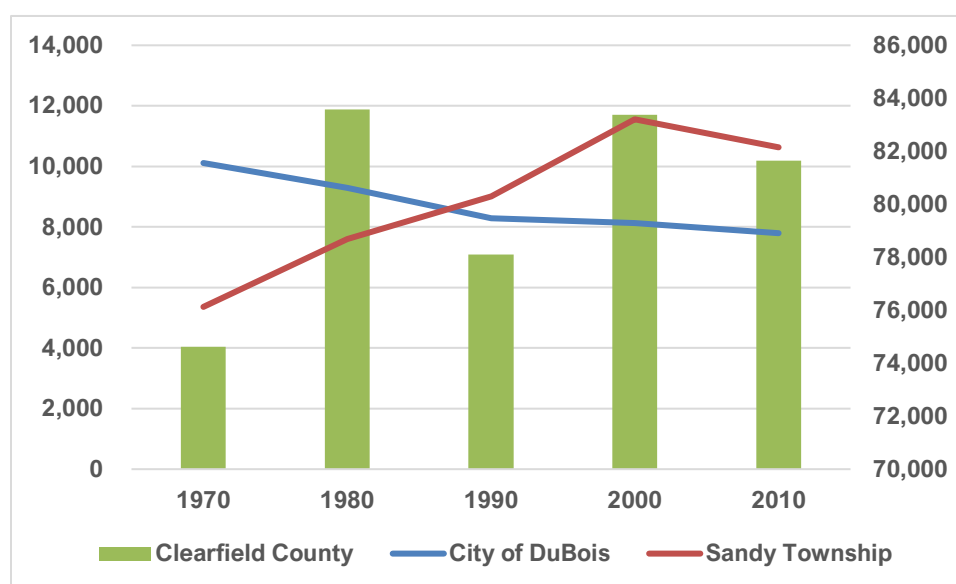
Table 1-1

Population trends

	1970	1980	1990	2000	2010
City of DuBois	10,112	9,290	8,286	8,123	7,794
Sandy Township	5,360	7,600	9,005	11,556	10,625
Clearfield County	74,619	83,578	78,097	83,382	81,642

Figure 1-1

Population trends



Population by Age Group

The 2010 population composition of DuBois and Sandy Township is somewhat similar, with the age 18 to 65 cohort making up about 60 percent of the population and the remaining 40 percent or so being divided between the under 18 and 65 and over age groups. Both are indicative of aging

populations. DuBois, with a 5.9 percent population loss, had a 11.3 percent decline in those under 18 and only a 1.8 percent increase in the age 18 to 64 age group, which does not bode well for the future working age population. Sandy Township, with an 18.0 percent population gain, had 15.9 percent increase in residents ages 18 to 64, but only a 0.3 percent increase in those under age 18, not expanding the working age group in the future. Notably, the township also realized a substantial 52.5 percent increase in those age 65 and over.

Table 1-2
Population by age

	1990		2000		2010		Change 1990 -2010	
	#	%	#	%	#	%	#	%
City of DuBois								
Under 18	1,966	23.7	1,875	23.1	1,744	22.4	-222	-11.3
18-64	4,683	56.5	4,652	57.3	4,769	61.2	86	1.8
65 & over	1,637	19.8	1,596	19.6	1,281	16.4	-356	-21.7
Total Population	8,286	100.0	8,123	100.0	7,794	100.0	-492	-5.9
Sandy Township								
Under 18	2,185	24.3	2,629	22.8	2,192	20.6	7	0.3
18-64	5,371	59.6	6,679	57.8	6,223	58.6	852	15.9
65 & over	1,449	16.1	2,248	19.5	2,210	20.8	761	52.5
Total Population	9,005	100.0	11,556	100.0	10,625	100.0	1620	18.0

Births, Deaths, and Population Change 1990 through 2017

From 1990 to 2018, DuBois experienced an outmigration of 786 persons, where Sandy Township realized an in-migration of 2,310 persons; although from 2000 to 2009, they had an outmigration of 235 persons and 586 persons, respectively, possibly due to the 2008 recession. Overall, natural change was not the primary contributing factor to the net migration, except from 2010 to 2018, when the number of deaths in Sandy Township exceeded the number of births by 640 persons, which is consistent with the large increase in persons age 65 and older as shown in the previous table.

Table 1-3

City of DuBois and Sandy Township resident births, deaths and population trends

	1990 to 1999		2000 to 2009		2010 to 2018		1990 to 2018	
	DuBois	Sandy	DuBois	Sandy	DuBois	Sandy	DuBois	Sandy
Births	1,016	1,167	981	1,010	1,054	605	3,051	2,782
Deaths	1,078	1,055	1,075	1,355	1,034	1,245	3,187	3,655
Natural Pop. Change	-62	112	-94	-345	20	-640	-136	-873
Total Population (start)	8,286	9,005	8,123	11,556	7,794	10,625	8,286	9,005
Total Population (end)	8,123	11,556	7,794	10,625	7,364	10,442	7,364	10,442
Total Population Change	-163	2,551	-329	-931	-430	-183	-922	1,437
Less Natural Change	-62	112	-94	-345	20	-640	-136	-873
Net Migration	-101	2,439	-235	-586	-450	457	-786	2,310

Housing Units

From 1990 to 2010, the DuBois realized a 0.9 percent loss in housing units, with the greatest change being a 7.2 percent reduction in the number of owner-occupied homes. During the same period, Sandy Township had a 28.2 percent gain in housing units, primarily attributed to a 30.1 percent increase in the number of owner-occupied homes. A notable difference between the city and township is the number of owner-occupied versus renter-occupied units. At the peak in 2000, the number of owner-occupied units was 49 percent and 492 percent greater than the number of renter-occupied units in DuBois and Sandy Township, respectively. When the number of owner-occupied units slightly decreased from 2000 to 2010, the number of renter-occupied units similarly increased in both municipalities. Interestingly, the number of vacant units was consistently greater in the township than the city for all three years, increasing by 25.5 percent over the 20-year period in the township versus 5.5 percent in the city.

Table 1-4

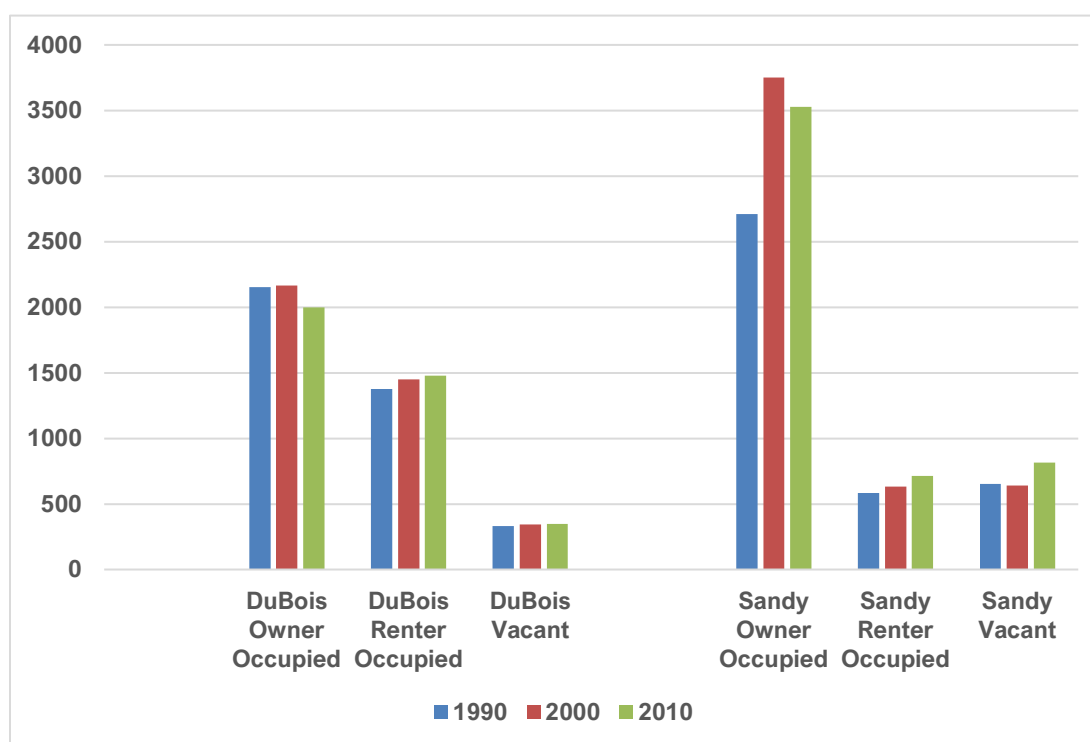
Owner-occupied, renter-occupied and vacant housing units

	1990		2000		2010		Change 1990-2010	
	#	%	#	%	#	%	#	%
City of DuBois								
Owner Occupied	2,153	56	2,164	55	1,998	52.2	-155	-7.2
Renter Occupied	1,375	35.6	1,450	36.7	1,479	38.7	104	7.6
Total Occupied	3,528	91	3,614	91	3,477	91	-51	-1
Vacant	330	9	342	8.6	348	9.1	18	6
Total Units	3,858	100	3,956	100	3,825	100	-33	-0.9
Sandy Township								

	1990		2000		2010		Change 1990-2010	
	#	%	#	%	#	%	#	%
Owner Occupied	2,710	69	3,753	74.6	3,527	69.7	817	30
Renter Occupied	585	14.8	634	12.6	714	14.1	129	22.1
Total Occupied	3,295	83.5	4,387	87.3	4,241	83.8	946	28.7
Vacant	651	16.5	641	12.7	817	16.2	166	25.5
Total Units	3,946	100	5,028	100	5,058	100	1,112	28.2

Figure 1-2

City of DuBois and Sandy Township owner-occupied, renter-occupied and vacant housing units



Median Value of Owner-Occupied House

From 1990 to 2010, the median value of owner-occupied homes in the DuBois was an average of 2.4 percent below that of the county and an average of 43.7 percent below that of the commonwealth, where in Sandy Township it was an average of 50.9 percent above that of the county and an average of 12.9 percent below that of the state. The values in the city were somewhat similar to those in the county. In 2010, the values in the city and county were \$84,500 and \$82,900, respectively, where the value in the township was \$132,100, with the value in the township \$47,600 greater than that in the city.

Table 1-5

Median values of owner-occupied homes

	1990	2000	2010*	Change 1990 - 2010	
City of DuBois	\$41,900	\$54,000	\$84,500	\$42,600	101.7%
Sandy Township	60,500	88,900	132,100	71,600	118.3%
Clearfield County	40,000	62,600	82,900	42,900	107.3%
Pennsylvania	69,700	97,000	159,300	89,600	128.6%
* US Census Bureau American Community Survey margin of error for median value of owner-occupied home in 2010 for City of Dubois: +/- \$4,933; Sandy Township: +/- \$10,029; Clearfield County: +/- \$2,048.					

Per Capita Income

From 1990 to 2010, per capita income in DuBois was an average of 5.5 percent above that of the county but an average of 22.9 percent below that of the commonwealth, where in Sandy Township it was an average of 33.3 percent above that of the county and an average of only 3.0 percent below that of the state. Like the median values of owner-occupied homes, the per capita income in the city was somewhat similar to that in the county, although it did increase 53.1 percent in the city versus 76.2 percent in the county over the 20-year period. Per capita income in the township was close to that in the commonwealth, with change over the period being almost the same. In 2010, per capita incomes in the city and county were \$17,928 and \$18,380, respectively, where per capita income in the township was \$26,154, with the amount in the township \$8,226 greater than that in the city.

Table 1-6

Per capita income

	1990	2000	2010*	Change 1990 - 2010	
City of DuBois	\$11,713	\$17,079	\$17,928	\$6,215	53.10%
Sandy Township	13,567	20,420	26,154	12,587	92.80%
Clearfield County	10,430	16,010	18,380	7,950	76.20%
Pennsylvania	14,068	20,880	27,049	12,981	92.30%
* US Census Bureau American Community Survey margin of error for per capita income in 2010 for City of Dubois: +/- \$1,580; Sandy Township: +/- \$3,145; Clearfield County: +/- \$939.					

Median Household Income

From 1990 to 2010, median household income substantially increased in DuBois and Sandy Township, although the increase was 54.7 percent in the city versus 77.0 percent in the township. The contrast is also evident when comparing the city and township to the county and commonwealth. Over the 20-year period, median household income in the city was an average of 10.4 percent below that of the county and an average of 32.8 percent below that of the state, where in the township it was an average of 40.3 percent above that of the county and an average of 5.2 percent above that of the state. These differences portray an even greater disparity than occurred with median value of owner-occupied homes and per capita income. In 2010, median household incomes in the city and county

were \$31,494 and \$36,331, respectively, where median household income in the township was \$53,401, with the amount in the township \$21,907 greater than that in the city.

Table 1-7*Median household income*

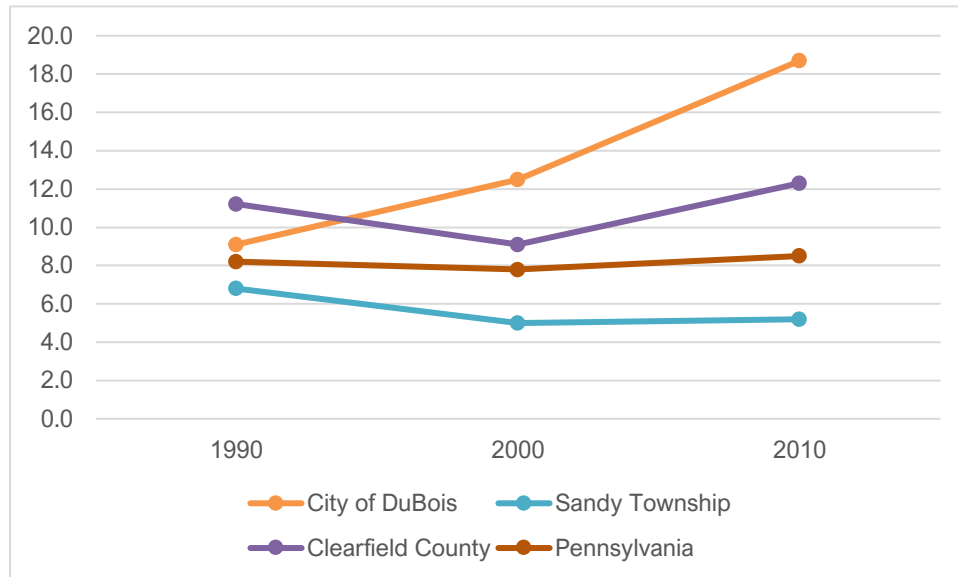
	1990	2000	2010	Change 1990-2018	
City of DuBois	20,357	27,748	31,494	11,137	54.70%
Sandy Township	30,173	42,450	53,401	23,228	77.00%
Clearfield County	21,773	31,357	36,331	14,558	66.90%
Pennsylvania	29,069	\$40,106	50,398	\$21,329	73.40%

Families Below Poverty Level

The percentage of families below poverty level is consistent with the other wealth measurements previously discussed, particularly median household income. Most notable are the continuous increase in the City of DuBois, surpassing Clearfield County in 2000, and slight decrease in Sandy Township with percentages consistently below the commonwealth, the county and the city. Based on 2010 Census Bureau estimates, the percentage of families below poverty level increased by 105.5 percent in the city but decreased by 23.5 percent in the township from 1990 to 2010. In the county it increased by 9.8 percent and in Pennsylvania by 3.7 percent.

Table 1-8*Percent of families below poverty level*

	1990	2000	2010*
City of DuBois	9.10%	12.50%	18.70%
Sandy Township	6.80%	5.00%	5.20%
Clearfield County	11.20%	9.10%	12.30%
Pennsylvania	8.20%	7.80%	8.50%
* US Census Bureau American Community Survey margin of error for percent of families below poverty level in 2010 for City of Dubois: +/-7.3%; Sandy Township: +/-2.3%; Clearfield County: +/-4.4%.			

Figure 1-3*Percent of families below poverty level*

Chapter 2 Financial Analysis

Introduction

A consolidation of the city of DuBois and Sandy Township is projected to net utility and property tax savings of up to \$462 annually for most Sandy Township residents and \$61 annually for DuBois residents, although one group of Sandy Township residents would likely see a net increase of almost \$100 annually. These projections are based on certain assumptions provided by the city and township including the elimination of duplicate positions that results in a surplus of \$558,127 for a combined municipality.

Meanwhile, the financial outlook for the city of DuBois and Sandy Township as continued separate municipalities indicates challenges ahead. The city and township each experienced a deficit in three out of five years during the historical review period from 2015 to 2019, and they are projected to see additional deficits in the future.

In addition to general fund operations, consolidation will require combining the budgets and operations for DuBois and Sandy Township wastewater and water services.

Currently, the city transfers a considerable amount of water and wastewater revenue into its general fund to pay the DuBois general fund for services done in support of its water and wastewater operations. The city has a management and lease agreement with the DuBois Sewer Bureau and the DuBois Water Bureau to manage, operate and serve as billing agent for the bureaus. The agreements provided by DuBois expired at the end of 2020. The 2020 payments to DuBois listed in the agreements is \$4.5 million.

DuBois sells water and wastewater treatment directly to both the township and to township residents at higher rates than city customers. The township in turn also sells water and wastewater treatment to a group of township customers.

In the case of consolidation, all water and wastewater customers would pay the same rate, resulting in a slight surplus in a combined water fund and deficit in a combined wastewater fund. Rate adjustments were calculated that would eliminate both the deficit and surplus from these combined funds.

The net impact of property tax and utility rate adjustments for a median assessed value residential property in a consolidated municipality would range from a \$238 to \$462 annual savings for most Sandy Township residents to a \$61 annual savings for DuBois residents. The only group projected to experience a net increase is Sandy Township residents currently billed directly by DuBois for water services, who could see up to a \$91 annual increase.

Other potential options to lower the millage rate and improve the financial position of the new municipality will be discussed in more detail in later chapters, such as employee benefit savings, eliminating duplicate positions and/or the ability to change the tax mix of a new municipality through the adoption of a home rule charter.

Methodology

PEL analyzed the 2020 budgets and historical revenues and expenditures from 2015 through 2019 for the city of DuBois and Sandy Township. Various adjustments were made to the data of the respective municipalities in order to make the individual financial plans compatible and consistent. These adjustments were necessitated by differences in budget and accounting structures and organizational patterns, as well as by the differences in the various procedures in financing and carrying out the services of the township and the city.

Therefore, the data presented here are not direct reproductions of both municipal financial statements. Instead, the data represent an attempt to provide a series of account compilations for the purposes of informed comparison and analysis regarding the fiscal impact of a possible consolidation.

Any yearly analysis is a direct measure of revenues/receipts (and transfers) and of expenditures/disbursements (and transfers) for a given time period. As such, there is no guarantee that these actual revenues/receipts (including other sources) and expenditures/disbursements (including other uses) will not vary for future periods, whether in a consolidated municipality or in the separate municipalities. Nonetheless, the 2020 budget and historical period data offer a rational basis for estimating financial trends. To gain perspective on the relationship between budgeted and actual figures for the last few years for both the city and township, PEL reviewed various reports for each entity. PEL did not conduct independent audits of data provided by the municipalities.

Historical Trends

Historical General Fund summaries for both municipalities show deficits in three out of five years from 2015 through 2019. Although sewer and water revenues and expenditures have been removed from the DuBois General Fund to better display actual General Fund operating expenditures, these figures have not been adjusted for any one-time events, like capital spending or grant revenues. As a result, it is important to focus on the overall trend as opposed to any single year.

Table 2-1

DuBois General Fund Adjusted to Remove Water and Sewer Revenues and Expenditures

	2015	2016	2017	2018	2019
DuBois	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted
Revenues	\$7,676,883	\$9,656,020	\$8,027,997	\$12,862,909	\$10,602,197
Expenditures	\$7,642,769	\$7,725,708	\$9,704,532	\$13,485,645	\$11,263,667
Surplus/(Deficit)	\$34,114	\$1,930,312	-\$1,676,535	-\$622,736	-\$661,470

Table 2-2

Sandy Township General Fund

	2015	2016	2017	2018	2019
Sandy	Actual	Actual	Actual	Actual	Actual
Revenues	\$4,039,739	\$4,146,652	\$4,124,042	\$4,212,537	\$4,547,613
Expenditures	\$3,676,679	\$4,292,399	\$4,667,034	\$4,352,369	\$4,383,482
Surplus/(Deficit)	\$363,060	-\$145,747	-\$542,992	-\$139,832	\$164,131

Projections 2020 to 2025

Revenue Projection Assumptions

- The 2020 budget serves as the baseline
- DuBois: Tax rates and fees remain at 2020 levels
- Sandy: Real estate fire millage tax increased by ½ mill in 2021, then level; all others remain at 2020 levels
- Real estate tax revenue for DuBois increased 0.5 percent annually, based on assessment history
- Real estate tax revenue for Sandy increased 0.7 percent annually, based on assessment history
- Earned income tax revenue remains flat for 2021, then increases annually by 1.2%
- State Aid for pensions annual growth of ½ of one percent
- All other revenues held at 2020 levels

Expenditure Projection Assumptions

- The 2020 budget serves as the baseline
- Employee count remains at 2020 budgeted levels
- No new debt incurred; existing debt service based on amortization schedules
- Union employee wages and salaries were increased at the annual contractual rate as follows:

	2021	2022	2023	2024
DuBois Public Works	2.50%	2.50%	—	—
DuBois Police	2.50%	2.75%	2.75%	2.99%
Sandy Public Works	2.70%	—	—	—
Sandy Police	2.75%	3.00%	2.75%	3.00%

- Other non-represented employee wages and salaries were increased 2 percent annually; union wages were increased at 2 percent annually following CBA expiration
- Pension annual obligation was increased by rate of annual wage increases
- Health insurance expense was increased by 6 percent annually
- Other expenditures held level with 2020

Analysis

The city of DuBois is projected to experience a deficit in 2020 followed by surpluses until 2025, when expenditures start to overcome revenues. The deficits during the historical review period appear to be driven by debt service, which drops significantly after 2020, and the cost of capital projects. Despite the anticipated surpluses, DuBois' inelastic revenue sources are eventually unable to keep up with rising expenses. Sandy Township is projected to start experiencing deficits in 2023. Based on assessment value and historical patterns, Sandy Township is likely to experience little revenue growth compared to anticipated increases in contractual wages and health care. Police Department costs and health care are each anticipated to rise by approximately \$250,000 from 2020 to 2025, with public works the next highest expected increase at almost \$68,000.

Table 2-3*City of DuBois Projected Revenues, Expenditures and Surplus (Deficit)*

	2020 ⁴	2021	2022	2023	2024	2025
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenues	\$8,897,305	\$7,394,993	\$7,402,021	\$7,409,082	\$7,416,176	\$7,423,303
Total Expenditures	\$9,839,798	\$6,882,118	\$7,036,023	\$7,196,451	\$7,354,800	\$7,519,923
Surplus (Deficit)	-\$942,493	\$512,875	\$365,999	\$212,631	\$61,376	-\$96,621

Table 2-4*Sandy Township Projected Revenues, Expenditures and Surplus (Deficit)*

	2020	2021	2022	2023	2024	2025
	Budget	Projected	Projected	Projected	Projected	Projected
Total Revenue	\$4,488,115	\$4,525,405	\$4,535,940	\$4,546,548	\$4,557,227	\$4,567,980
Total Expenditures	\$4,486,422	\$4,430,620	\$4,522,090	\$4,614,545	\$4,713,033	\$4,804,808
Surplus (Deficit)	\$1,693	\$94,785	\$13,851	-\$67,998	-\$155,806	-\$236,829

Budget for a Consolidated Municipality

Personnel Expenditures Adjusted

The 2020 budgets for DuBois and Sandy Township were combined assuming the consolidation of various positions and elimination of the water surplus and wastewater deficits through rate increases that are outlined later in this chapter. This calculation results in a surplus of \$558,127.

Assumptions for Consolidation of Positions Adjustments

- For duplicate positions, removed current positions at 2020 salaries and added consolidated positions at salaries provided by city of DuBois and Sandy Township managers
 - Added employer's share of Social Security and Medicare for all positions
 - Removed health insurance benefits at single coverage using each municipality's 2020 rates. Assumed no employee contributions.
 - Added health insurance benefits at single coverage using an average to the municipalities' 2020 rates. Assumed no employee contributions
 - Sandy Township allocates a portion of certain positions and audit costs to the water and sewer funds. DuBois does not. Therefore, removed Sandy amounts from funds where they were allocated, but added combined municipality amounts in the general fund.
- Eliminated four public works employees and one clerical position in the police department
 - Used the current salaries of four DuBois public works employees who are eligible to retire as of 2020.
 - Used the average of the current DuBois police clerical position and the estimated cost of a Sandy clerical position based on the 2020 clerical rate in the Sandy contract.

⁴ Includes sewer and water debt and other utility transfers

Table 2-5

Combined 2020 Municipal Budget

	DuBois	Sandy	Unadjusted	Adjust	Adjusted
	2020 Budget	2020 Budget	Combined		Combined
Revenue					
Real Estate Taxes	\$1,411,000	\$1,455,000	\$2,866,000	\$0	\$2,866,000
Earned Income Tax	\$662,000	\$1,450,000	\$2,112,000		\$2,112,000
Local Services Tax	\$363,000	\$235,000	\$598,000		\$598,000
Other Taxes	\$0	\$0	\$0		\$0
Real Estate Transfer	\$93,724	\$175,000	\$268,724		\$268,724
License & Permits	\$182,250	\$253,015	\$435,265		\$435,265
Fines & Forfeits	\$22,400	\$30,500	\$52,900		\$52,900
Interest, Rents & Royalties	\$4,700	\$29,500	\$34,200		\$34,200
Federal Grants	\$0	\$0	\$0		\$0
State Aid for Pensions	\$286,648	\$210,000	\$496,648		\$496,648
State Grants	\$22,000	\$33,000	\$55,000		\$55,000
PURTA	\$2,300	\$3,500	\$5,800		\$5,800
State Shared Revenues	\$34,994	\$62,000	\$96,994		\$96,994
Local Intergovernmental	\$45,590	\$49,000	\$94,590		\$94,590
Departmental Earnings	\$646,644	\$327,600	\$974,244		\$974,244
Other Revenues	\$454,021	\$140,000	\$594,021		\$594,021
Sale of Assets	\$0	\$35,000	\$35,000		\$35,000
Capital Grants	\$1,509,504	\$0	\$1,509,504		\$1,509,504
Loan Proceeds	\$0	\$0	\$0		\$0
Transfers in from Water and Sewer	\$3,156,530	\$0	\$3,156,530		\$3,156,530
Total	\$8,897,305	\$4,488,115	\$13,385,420		\$13,385,420
Expenditures					
General Government	\$1,126,047	\$515,606	\$1,641,653	-\$147,280	\$1,494,373
Police	\$1,454,573	\$1,113,266	\$2,567,839	-\$90,243	\$2,477,596
Fire	\$217,600	\$362,500	\$580,100		\$580,100
Code Enforcement	\$116,870	\$0	\$116,870		\$116,870
Planning and Zoning	\$1,000	\$73,110	\$74,110		\$74,110
Emergency Management	\$3,620	\$500	\$4,120		\$4,120
Other Public Safety	\$0	\$1,500	\$1,500		\$1,500
Health and Human Services	\$0	\$5,000	\$5,000		\$5,000
Public Works	\$934,066	\$988,460	\$1,922,526	-\$195,144	\$1,727,382
Culture & Recreation	\$469,955	\$84,500	\$554,455		\$554,455
Community Development	\$9,890	\$1,000	\$10,890		\$10,890
Miscellaneous	\$227,345	\$136,000	\$363,345		\$363,345
Employee Benefits/Taxes	\$1,820,910	\$1,107,480	\$2,928,390	-\$123,767	\$2,804,623
Debt Service	\$189,473	\$0	\$189,473		\$189,473
Capital Projects	\$2,091,956	\$0	\$2,091,956		\$2,091,956
Transfers Out to Water and Sewer	\$234,000	\$97,500	\$331,500		\$331,500
Total	\$8,897,305	\$4,486,422	\$13,383,727	-\$556,434	\$12,827,293
Surplus (Deficit)	\$0	\$1,693	\$1,693	\$556,434	\$558,127

Real Estate Tax Rates of a Consolidated Municipality

The Pennsylvania Constitution requires that tax rates be uniform upon the same subjects of the tax. In the case of real estate tax millages, the uniformity requirement means a consolidated municipality can only have one millage rate applied to taxable property, regardless of location in the prior municipalities. Accordingly, an analysis of the tax rates for a consolidated municipality must develop a comparable uniform rate that will yield the same amount of tax dollars from the newly combined tax base.

Both municipalities combined can generate approximately \$2.8 million in general purpose real estate revenue (\$1.2 million from DuBois plus \$1.6 million from Sandy Township) based on their current millage rates and assessed value. In addition to general purpose revenues that can be used for any general fund activity, both the city and the township support special purpose taxes for library and recreation funding.

The township also levies special purpose millages for fire protection; the city includes fire protection within its general fund expenditures. Table 2-6 uses the township's expected 2021 fire protection millage rate. In addition, the township levies two special purpose millages for a municipal building fund and for highway equipment purchases.

The earned income, real estate transfer and local services tax rates for both municipalities are at the Act 511 maximum rates allowed absent special authorization. Rates are 0.5 percent, EIT; 0.5 percent, real estate transfer; and \$47, LST.

Table 2-6

City of DuBois and Sandy Township current property tax rates, 100% assessed valuation, potential property tax revenue and current Act 511 tax rates

	DuBois Mills	Assessed Valuation	Sandy Township Mills	Assessed Valuation
Assessed Value		\$59,632,415		\$120,579,731
Real Estate:		Tax Revenue		Tax Revenue
General purposes	20.0	\$1,192,648	13.0	\$1,567,537
Fire protection	0	—	3.0	\$361,739
Library & recreation	3.5	\$208,713	0.5	\$60,290
Municipal building fund	0	—	1.0	\$120,580
Highway equipment	0	—	0.75	\$90,435
Total 2020 Real Estate	23.5	\$1,401,362	18.25	\$2,200,581
Act 511 Taxes				
Earned Income	0.5%	—	0.5%	—
Local Services	\$47	—	\$47	—
Realty Transfer	0.5%	—	0.5%	—

Calculating the Post-Consolidation Millage

Rates of taxation on property must be adjusted in the new municipality so that a uniform millage rate on the combined assessment base provides the same amount of tax dollars as was received from the two separate municipal rates and assessments.

The calculation must account for the services that will need to be funded post-consolidation as well as potential expenditure savings, particularly from personnel adjustments. The assumption here is that the property tax millage will cover the entire gap once rates are equalized. For the post-consolidation millages, current services include:

- General fund activities such as administration, public safety and works, code enforcement, insurances, pension obligations, payroll and employee benefits;
- Fire protection at a total funding level equal to that currently provided separately by the city and the township;
- Library and recreation activities.

Based on the total assessed valuation of the proposed consolidated municipality and the current budget assumptions of the municipalities, each mill of taxes mill would generate approximately \$165,000 at a 92 percent collection rate as shown in Table 2-7.

Table 2-7

Assessed valuations and value of a mill 2020 budget

	Assessed Valuation	At 92% Collection Rate	Value of a Mill
DuBois	\$59,632,415	\$54,861,822	\$54,862
Sandy	\$120,579,731	\$110,933,353	\$110,933
Total	\$180,212,146	\$165,795,174	\$165,795

In addition to certain special purpose expenditures in the current general purpose millages, discussions with township officials indicated that there likely would not be a need for separate municipal building and highway equipment funds post-consolidation. These millages will not be continued forward under the post-consolidation millage. Any balances remaining in those special purpose millage funds can be used for the stated purposes by the combined municipality.

Levying a single general purpose millage as opposed to special purpose gives the municipality more flexibility to use the funds. In addition, special purpose millage is often used when a municipality is at or near its municipal code real estate cap, which should not be a consideration for the new municipality.

Although the new municipality could continue to use special purpose millage to designate revenue for fire, library and recreation, those special purpose millages have been eliminated in this analysis in favor of a general purpose millage. However, because a single general purpose millage does not account for services that are not uniform across a municipality, consideration has been given to levying special purpose millage by service district as discussed below.

Special Service District Millage

For those properties that receive more services due to their location or specific requirements, a lower general fund millage can be supplemented with a special millage to adjust the tax burden to account for the greater level of public services.

In the case of the consolidated municipalities, only certain areas will be served by fire hydrants. DuBois has 384 hydrants located throughout the entire city. There are 130 hydrants within Sandy Township, with 50 installed in Treasure Lake and 80 located in other areas of the township.

The city charges \$187.37 per unit for hydrant rental on a total of 514 hydrants, collecting approximately \$95,000. This amount can be covered by a special service millage for benefited properties.

Sandy Township estimates that approximately 70 percent of the assessed tax base is serviced by hydrants, compared to 100 percent of the city's assessed tax base. The township also provides hydrant service to Treasure Lake through Aqua America at a cost of approximately \$15,000 per year.

Accordingly, hydrant millage would be 0.72 mill. This millage would apply to all areas currently serviced by hydrants. As the service area of hydrant protection is expanded in the future, this millage rate can be adjusted to reflect the changing service level and area covered.

Like hydrants, only certain areas of the new municipality would have streetlights. Breaking out costs for the streetlight special service area results in a rate of 0.82 mills.

Post-Consolidation Millage

The consolidated municipality will require real estate tax revenue at a level necessary to fund the general fund, library, fire protection and other services at a level equal or better than that provided prior to the consolidation. Tables 2-8 and 2-9 outlines the methodology for calculating the post-consolidation millage, which results in a baseline 16.06 mills for every property prior to accounting for special purpose millages to pay for the additional services of streetlights and hydrants. Special purpose millages are estimated at 0.82 mill for streetlights and 0.72 for fire hydrants.

Table 2-8*Real estate tax revenue in a consolidated municipality*

	Real Estate Tax Revenue
DuBois Real Estate Tax Revenue -2021 millage rate	\$1,401,362
Sandy Real Estate Tax Revenue -2021 millage rate	\$2,200,581
Total Baseline Revenue	\$3,601,943
Remove Post Consolidation Sandy Special Purpose Millage	
Municipal Building Fund	-120,580
Highway equipment	-90,435
Total Baseline Revenue after Adjustment for Building and Highway	\$3,390,928
Remove Costs for Duplicate Positions	-556,434
Post Consolidation Revenue Needed with Assumed Duplicate Personnel Savings	\$2,834,494
Remove Street Light Costs (2020 budget)	-90,000
Remove Hydrant Costs (2020 budget)	-94,766
Baseline Revenue for Consolidated Municipality Omitting Hydrant and Street Lights	\$2,649,728

Table 2-9*Potential millage rates in a consolidated municipality*

	Mills
Millage Calculation for Consolidated Municipality at Baseline Revenue from Table 2-8	
Basic millage from a consolidated tax base @ \$165,000 revenue per mill	16.06
Special Purpose District Millage Added to Post Consolidation Baseline Millage	
Estimated Street Light Special Purpose Millage at \$110,000/mill (\$90,000)	0.82
Estimated Fire Hydrant Millage at \$132,000/mill (\$94,766)	0.72
Total Post Baseline with Both Special Millages	17.60

The post consolidation uniform millage rate and the additional service millages are less than currently levied in both the township and the city. The highest post consolidation rate of 17.60 mills for all services is less than the 2021 city rate by 5.9 mills and 0.65 mill for the township. For those sections of Sandy that do not have street lighting or hydrant services, the millage reduction will be 2.19 mills based on the 2021 township millage of 18.25.

Water and Wastewater Services

Rates for a Consolidated Municipality

DuBois provides both water and wastewater treatment to Sandy Township through mutual agreements and under Pennsylvania Utility Commission regulatory oversight. In effect, Sandy Township is a separate customer for these utility services from the city. A consolidation of the two would allow the current city water services to be provided to former Sandy Township consumers under the same rates as paid by current city consumers.

The tables below show the average amount that residential customers pay now for utilities compared to the projected rate for residents under a consolidated municipality. The projected rates are the current city resident utility rate adjusted to ensure that both utility funds net to zero.

The annual savings for Sandy Township customers billed by the township ranges from \$223 to \$411. Sandy Township customers billed by DuBois and current DuBois customers would see annual increases of \$106 and \$25, respectively.

Table 2-10

Sandy Township average usage of 3,000 gals/month water service only as of January 1, 2021 including inactive accounts

	Number of Households Water Only	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Billed by Sandy Township	226	\$12.25	\$48.00	\$60.25	\$723.00
Billed by DuBois	709	\$7.00	\$16.50	\$23.50	\$282.00
Consolidated Municipality:					
Prior Sandy Billing	226	\$10.00	\$22.32	\$32.32	\$387.84
Prior DuBois Billing	709	\$10.00	\$22.32	\$32.32	\$387.84
Water Only Savings/Increase:					
Prior Sandy Township Billing	226				-\$335.16
Prior DuBois Billing	709				\$105.84

Table 2-11

Sandy Township average usage of 3,000 gals/month sewer service only including inactive accounts

	Number of Households Sewer Only	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current Sandy Township Rate	813	\$12.25	\$55.50	\$67.75	\$813.00
Consolidated Municipality Rate		\$5.00	\$44.22	\$49.22	\$590.64
Sewer (Savings)/Increase:	813				-\$222.36

Table 2-12

Sandy Township average usage of 3,000 gals/month both water and sewer including inactive accounts

	Number of Households Water/Sewer	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current Sandy Township Rate	716	\$12.25	\$103.50	\$115.75	\$1,389.00
Consolidated Municipality Rate		\$15.00	\$66.54	\$81.54	\$978.48
Water and Sewer Savings/Increase:	716				-\$410.52

Table 2-13

DuBois residents with adjusted water and sewer rates at 3,000 gals/month

	Meter Surcharge	Per 3,000 Gal.	Total Monthly Charge	Annual Expense
Current DuBois Water and Sewer Rates	\$15.00	\$64.50	\$79.50	\$954.00
Consolidated Municipality Rates	\$15.00	\$66.54	\$81.54	\$978.48
Total annual increase				\$24.48

Changes for Treasure Lake

Utility costs for those areas of Sandy Township that do not have water or wastewater service provided by the city or the township will not see a change in the costs of those services. Treasure Lake receives water and wastewater services under a publicly regulated utility (Aqua America) whose rates will not be affected by the consolidation. Aqua America rates will continue to be regulated by the Pennsylvania Utility Commission. Residents of Treasure Lake will have a reduction in their real estate tax bills but will not have a change in their water and wastewater costs due to the consolidation.

Also, those residents who have well water and/or on-lot septic systems will have a reduction in their real estate tax bills but will not have a change in their water and wastewater systems due to the consolidation.

Combined Water Budget

Regarding the water revenues, effective January 1, 2021, water rates will increase for most DuBois customers, from \$7.00/1,000 gals to \$8.50/1,000 (an increase of 21 percent) and for wholesale customers from \$5.50/1000 gals to \$8.50/1,000 (an increase of 54 percent). Therefore, this adjustment is included because the consolidation will not occur until after these rates are in effect.

As seen in Table 2-14, it is estimated that there would be a loss of revenue from residential and non-residential users of \$427,872 in the consolidated municipality by reducing township water rates to the city level.

Because the current Sandy Township water service area will be contained within the same consolidated municipality, the wholesale water supply fees now paid by Sandy Township to the city will be eliminated for an additional revenue reduction of \$350,000.

Total water system revenue is reduced by \$777,872 after a consolidation. The expense adjustments are estimated to be \$350,000, which is the offset of the loss of income from the township to the city for wholesale water supply and the increase in the transfer to the general fund, as noted above.

Table 2-14

Combined Municipal Water Services 2020 Budget

	DuBois 2020 Budget	Sandy 2020 Budget	Unadjusted Combined	Adjustments: all users on DuBois Rates and Sandy Fees Eliminated	Adjusted Combined Before 2021 Rate Increase	2021 rate increase	Est. Revenue Decrease to Net Zero	Adjusted Combined
Income:								
Residential	\$765,000	\$400,000	\$1,165,000	-\$213,936 ⁵	\$951,064	\$199,723	-\$211,749	\$939,039
Non-Residential	\$721,000	\$450,000	\$1,171,000	-\$213,936 ⁶	\$957,064	\$200,983		\$1,158,048
Other Municipal Fees	\$307,000	\$0	\$307,000		\$307,000			\$307,000
Fees from Sandy Township	\$885,000	\$0	\$885,000	-\$350,000 ⁷	\$535,000	\$112,350		\$647,350
Other Revenue	\$536,000	\$7,500	\$543,500		\$543,500			\$543,500
Water Income Total	\$3,214,000	\$857,500	\$4,071,500	-\$777,872	\$3,293,628	\$513,057	-\$211,749	\$3,594,936
Expenses:								
Salaries/Benefits	\$898,977	\$221,863	\$1,120,840	-\$92,276 ⁸	\$1,028,564			\$1,028,564
Materials and Supplies	\$454,200	\$22,000	\$476,200		\$476,200			\$476,200
Professional Services	\$0	\$10,500	\$10,500		\$10,500			\$10,500
Utilities	\$73,800	\$7,500	\$81,300		\$81,300			\$81,300
Repairs and Maintenance	\$72,000	\$20,000	\$92,000		\$92,000			\$92,000
Contracted Services	\$80,000	\$7,800	\$87,800		\$87,800			\$87,800
Purchase of Water	\$0	\$350,000	\$350,000	-\$350,000 ⁹	\$0			\$0
Other Expenses	\$34,000	\$6,001	\$40,001		\$40,001			\$40,001
Debt Service	\$654,580	\$177,548	\$832,128		\$832,128			\$832,128
Transfers Out	\$946,443	\$0	\$946,443		\$946,443			\$946,443
Water Expenses Total	\$3,214,000	\$823,212	\$4,037,212	-\$442,276	\$3,594,936	\$0	\$0	\$3,594,936
Surplus (Deficit)	\$0	\$34,288	\$34,288	-\$335,596	-\$301,308	\$513,057	-\$211,749	\$0

⁵ Uniform rate reductions are applied evenly to Residential and Non-residential categories. Actual distribution of reductions will depend on usage.

⁶ Uniform rate reductions are applied evenly to Residential and Non-residential categories. Actual distribution of reductions will depend on usage.

⁷ Value of current bulk water purchases by Sandy from DuBois. These are eliminated under a consolidated municipality. Removed as a revenue item for city.

⁸ Elimination of duplicate personnel position of supervisor, estimated savings.

⁹ Value of current bulk water purchases by Sandy from DuBois. These are eliminated under a consolidated municipality. Removed as an expense item for township.

Combined Wastewater Budget

As seen in Table 2-15, necessary adjustments for the wastewater system reduced revenues more than expenses. It is estimated that there will be an \$818,708 revenue loss from aligning the user charges for wastewater treatment in the Sandy Township area.

It is estimated that residential wastewater revenue would fall by \$637,494 and non-residential would be reduced by \$197,102 after a consolidation is approved because the existing rates in Sandy Township will be reduced to a uniform rate in the consolidated municipality. Additionally, the fees paid by the township to the city will be eliminated, further lowering wastewater revenue by almost \$1.2 million. The maintenance fee is also adjusted to reflect the maintenance fee charged by the city.

Regarding the wastewater revenues, effective January 1, 2021, sewer rates will increase from \$12/1,000 gals to \$13/1,000 (an increase of 8 percent) therefore this adjustment is included because the consolidation will not occur until after these rates are in effect. It is expected that increases in related expenses will be nominal.

Expense side reductions are estimated at \$1.3 million from the fee paid by the township for treatment. This will offset the revenue recorded by the city from the township. An increase to expenses will occur when the combined operations assume the \$481,292 in debt service principal payments for the township system. The net change in the wastewater budgets from a consolidation without other expenditure or revenue adjustments would be a deficit that is eliminated by adjusting rates upwards.

Table 2-15

2020 Combined Wastewater Services Budget for DuBois City and Sandy Township with rate increases

	DuBois 2020 Budget	Sandy 2020 Budget	Unadjusted Combined	Adjustments: all users on DuBois Rates and Sandy Fees Eliminated	Adjusted Combined Before 2021 Rate Increase	2021 rate increase	Estimated Revenue Increase to Net Zero	Adjusted Combined
Income:								
Residential	\$1,274,923	\$1,831,983	\$3,106,906	-\$637,494 ¹⁰	\$2,469,412	\$197,553	\$345,530	\$3,012,495
Maintenance Charge	\$0	\$268,000	\$268,000	-\$67,300 ¹¹	\$200,700	\$138,744		\$339,444
Sewer Credits	\$0	-\$15,000	-\$15,000		-\$15,000			-\$15,000
Non-Residential	\$1,212,126	\$566,418	\$1,778,544	-\$197,102 ¹²	\$1,581,442	\$126,515		\$1,707,957
I & I Surcharge	\$0	\$0	\$0		\$0			\$0
Other Municipal Fees	\$168,573	\$0	\$168,573		\$168,573			\$168,573
Fees from Sandy Township	\$1,153,636	\$0	\$1,153,636	-\$1,153,636 ¹³	\$0			\$0
Other Revenue	\$294,050	\$43,900	\$337,950		\$337,950			\$337,950
Transfers In	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Sewer Income Total	\$4,103,308	\$2,695,301	\$6,798,609	-\$2,055,532	\$4,743,077	\$462,812	\$345,530	\$5,551,419
Expenses:								
Salaries, Wages and Benefits	\$940,838	\$221,863	\$1,162,701	-\$92,276 ¹⁴	\$1,070,425			\$1,070,425
Materials and Supplies	\$290,250	\$26,000	\$316,250		\$316,250			\$316,250
Professional Services	\$12,000	\$85,750	\$97,750		\$97,750			\$97,750
Utilities	\$156,000	\$18,900	\$174,900		\$174,900			\$174,900
Repairs and Maintenance	\$100,000	\$331,000	\$431,000		\$431,000			\$431,000
Contracted Services	\$95,000	\$39,000	\$134,000		\$134,000			\$134,000
Other Expenses	\$11,220	\$3,500	\$14,720		\$14,720			\$14,720
Capital Projects	\$0	\$255,000	\$255,000		\$255,000			\$255,000

¹⁰ Current residents billed by Sandy who will have a rate decrease.¹¹ Savings due to equalizing the maintenance surcharges.¹² Estimated savings from rate decrease from consolidation.¹³ Elimination of treatment payment from Sandy to DuBois.¹⁴ Elimination of duplicate personnel position of supervisor, estimated savings.

	DuBois 2020 Budget	Sandy 2020 Budget	Unadjusted Combined	Adjustments: all users on DuBois Rates and Sandy Fees Eliminated	Adjusted Combined Before 2021 Rate Increase	2021 rate increase	Estimated Revenue Increase to Net Zero	Adjusted Combined
Treatment Sykesville	\$0	\$42,000	\$42,000		\$42,000			\$42,000
Treatment DuBois	\$0	\$1,300,000	\$1,300,000	-\$1,300,000 ¹⁵	\$0			\$0
USDA Water	\$0	\$0	\$0		\$0			\$0
Debt Principal	\$207,059	\$481,292	\$688,351		\$688,351			\$688,351
Debt Interest	\$80,854	\$36,081	\$116,935		\$116,935			\$116,935
Transfers Out	\$2,210,087	\$0	\$2,210,087	\$0	\$2,210,087	\$0		\$2,210,087
Sewer Expenses Total	\$4,103,308	\$2,840,386	\$6,943,694	-\$1,392,276	\$5,551,418	\$0	\$0	\$5,551,418
Surplus (Deficit)	\$0	-\$145,085	-\$145,085	-\$663,256	-\$808,342	\$462,812	\$345,530	\$0

¹⁵ Estimated reduction in treatment expense.

Impact of Consolidation on Total Taxes and Utility Payments

The tables below analyze the estimated total tax and utility impact of a consolidated municipality on a median assessed value owner-occupied property in DuBois and Sandy Township. Currently, Sandy Township property owners with a median value assessed home pay \$430 in annual property taxes compared to \$339 for DuBois residents as seen in Table 2-16.

In Table 2-17, the lower anticipated millage for a consolidated municipality is applied. The reduction in current annual property taxes ranges from \$15 to \$85.

Table 2-16

2021 Property Tax on a Median Assessed Value Owner-Occupied Residential Property

	DuBois	Sandy
Median Assessed Value	\$14,442	\$23,537
Total Mills	23.5	18.25
2021 Median Property Tax Levy	\$339	\$430

Source: Median Value 2015-2019 5-Year American Community Survey Table B25077 (Median Value, Dollars, Owner-occupied Housing Units) as adjusted by the 2019 Common Level Ratio as determined by the State Tax Equalization Board.

Table 2-17

Post Consolidation Estimated Millage Rates and Financial Impact for A Median Value Owner-Occupied Home

	DuBois	Sandy	Sandy	Sandy	Sandy
	GF, Hydrants + Streetlights	GF Only	GF + Hydrants	GF + Streetlights	GF, Hydrants + Streetlights
General Fund (GF) Mills	16.06	16.06	16.06	16.06	16.06
Special District Mills:					
Hydrants	0.72	—	0.72	—	0.72
Streetlights	0.82	—	—	0.82	0.82
Total Millage	17.60	16.06	16.78	16.88	17.60
Median Assessed Value	\$14,442	\$23,537	\$23,537	\$23,537	\$23,537
Median Property Tax Consolidated Muni	\$254	\$378	\$395	\$397	\$414
Difference from Current Taxes	-\$85.00	-\$52.00	-\$35.00	-\$32.00	-\$15.00

Once expected lower utility rates are factored in, as shown in Table 2-18, most Sandy Township residents with a median assessed home are likely to see even larger net reductions in utility and tax payments of almost \$240 to over \$460 per year. Exceptions to the additional utility savings will be for those Sandy Township residents billed directly by DuBois for water services only, who could see a net increase between \$50 and \$90 on a median assessed home; and Treasure Lake residents who receive water and sewer service from an independent public utility. For those Treasure Lake residents the net savings will accrue from the overall reduction in the property tax millage rate.

Table 2-18*Post consolidation estimated total financial impact Sandy Township¹⁶*

	No Special District Millage	Hydrant Millage	Street Lights Millage	Hydrants and Street Lights
Sandy Twp Tax Savings from Table 2-17	-\$52	-\$35	-\$32	-\$15
Water Only Difference:				
Billed by Sandy Township	-\$335	-\$335	-\$335	-\$335
Billed by DuBois	\$106	\$106	\$106	\$106
Net Utility and Tax Difference:				
Billed by Sandy Township	-\$387	-\$370	-\$367	-\$350
Billed by DuBois	\$54	\$71	\$74	\$91
Sewer Only Difference	-\$222	-\$222	-\$222	-\$222
Net Utility and Tax Difference	-\$274	-\$257	-\$255	-\$238
Water and Sewer Difference	-\$411	-\$411	-\$411	-\$411
Net Utility and Tax Difference	-\$462	-\$445	-\$443	-\$426

As shown in Table 2-19, DuBois residents with a median assessed value home are anticipated to net a \$61 decrease in property taxes and utility rates.

Table 2-19*Post consolidation estimated total financial impact DuBois¹⁷*

DuBois Tax Savings from Table 2-17	-\$85
Adjusted Water and Sewer Rates	\$24
Net Utility and Tax Difference	-\$61

¹⁶ Totals might not add due to rounding

¹⁷ Total might not add due to rounding

Comparison of Municipal Budget Revenues and Expenditures

A review of the revenue and expenditure components for the city and the township show similarities and difference that can be attributed to differences in the class of government, mix of services provided to the residents and historical development patterns. The city of DuBois operates on a cash basis of accounting while Sandy Township uses modified accrual basis. Cash accounting recognizes revenue and expenses only when money changes hands, but modified accrual accounting recognizes revenue when it's available, and expenses when they're due (but not paid).

Because the reporting provided by cash and modified accrual bases differ within the same fiscal year, direct comparison of same year fiscal condition is not directly comparable. For example, beginning and end of year balances for receivables and payables may not be directly comparable between the two accounting methods. Therefore, the consultants viewed the financial comparisons using multi-year trends which allows some smoothing and comparable analysis between the two different methods.

2020 Revenues

The city and township rely on a different revenue mix. The township receives most of its total revenue from taxes. In contrast, the city's largest source of revenue is transfers from the sewer and water funds into the general fund in support of general fund activities conducted on behalf of those services.

The tax mix of the township is typical of a second-class township whose property values and residential earned income tends to be higher than the older urban areas of Pennsylvania. The city's total revenue mix is not typical for an older urban center because of the significant amount of revenue it receives from providing utility services to its residents and its neighbors, including Sandy Township.

Almost 17 percent of the city's 2020 revenue came from capital grants. This represents the final use of various grants received over the past several years for upgrades of infrastructure and recreational facilities in the city, as discussed in capital expenditures below. These grant funds are not expected to continue at the same level in the future.

Table 2-20

Sandy Township and DuBois City 2020 General Fund Budget Revenues as a Percentage of Total Revenues

	DuBois	Sandy
Real Estate Taxes	15.86%	32.42%
Earned Income Tax	7.44%	32.31%
Local Services Tax	4.08%	5.24%
Real Estate Transfer	1.05%	3.90%
License & Permits	2.05%	5.64%
Fines & Forfeits	0.25%	0.68%
Interest, Rents & Royalties	0.05%	0.66%
State Aid for Pensions	3.22%	4.68%
State Grants	0.25%	0.74%
PURTA	0.03%	0.08%

	DuBois	Sandy
State Shared Revenues	0.39%	1.38%
Local Intergovernmental	0.51%	1.09%
Departmental Earnings	7.27%	7.30%
Other Revenues	5.10%	3.12%
Sale of Assets	0.00%	0.78%
Capital Grants	16.97%	0.00%
Transfers In	35.48%	0.00%
Total	100.00%	100.00%

2020 General Fund Expenditures

Expenditure patterns for the two municipalities show greater similarity than the revenue mix. Both municipalities budget similar levels of services and the corresponding expenses for those services as seen in Table 2-21.

General government and public safety services are the main expenditures for both. Public works is also a significant cost for both at 10.8 percent of total expenditures for the city and 22 percent for the township. The city's public works expenditures do not include those costs attributable to work on sewer and water operations. The township's public works services cover a much larger geographical area than the relatively compact area of the city.

Table 2-21

2020 DuBois City and Sandy Township General Fund Budgeted Expenditures as a Percentage of Total

	DuBois	Sandy
General Government	12.66%	11.49%
Police	16.35%	24.81%
Fire	2.45%	8.08%
Code Enforcement	1.31%	0.00%
Planning and Zoning	0.01%	1.63%
Emergency Management	0.04%	0.01%
Other Public Safety	0.00%	0.03%
Health and Human Services	0.00%	0.11%
Public Works	10.50%	22.03%
Culture & Recreation	5.28%	1.88%
Community Development	0.11%	0.02%
Miscellaneous	2.56%	3.03%
Employee Benefits/Taxes	20.47%	24.69%
Debt Service	2.13%	0.00%
Capital Projects	23.51%	0.00%
Transfers Out	2.63%	2.17%
Total	100.00%	100.00%

Capital Expenses

The city lists nearly \$2 million in various equipment purchases and capital projects in 2020 not involving potable water or wastewater treatment. Sandy Township has a separate 2020 capital budget of \$844,000, which includes \$300,000 for flow meters that would not be installed if the consolidation is accomplished. Both municipalities include one-time and on-going equipment replacement and larger capital projects in their general funds. The city lists over a million dollars for these projects, often using grant funding in addition to local share funds. These large projects skew the 19.8 percentage shown for capital projects. Sandy Township's capital expenditures are included within the departmental budget totals. The township budgets a \$97,500 capital transfer to a separate fund for equipment.

Transfers

The city operates the water and sewer operations under a fund arrangement that allows for revenues to be accounted for under respective funds but allows for expenses related to those operations to be paid under the general fund. The city does not specifically budget separately for these expenses or for any associated overhead expenses used in the support of these operations. During the course of a budget year the city will transfer funds from the revenue accounts into the general fund to support these expenditures. For example, for the budget year 2020, the transfers into the general fund totaled \$3.5 million from both water and sewer operations. The city will also transfer general funds as necessary to pay for expenses such as a health insurance account, sewer and water health care deductibles, and any operating shortfalls for the water system operations.

Township general fund transfers out are budgeted at \$97,500 for capital equipment purchases. The township accounts for its water and wastewater operations as a self-contained municipal authority. Therefore, they allocate the overhead costs, such as management salaries and benefits, to the authority. Unlike the city, there is no need to transfer funds to the general fund to support those costs.

Use of Fund Balance

The financial analysis does not use any funds that may be available from the existing fund balances of DuBois or Sandy Township. According to the 2018 audits:

1. On a cash reporting basis, DuBois recorded more than \$3.6 million in unassigned cash and cash equivalent balances.
2. On a modified accrual basis, Sandy Township recorded an end of year balance of cash and equivalents of \$2.6 million.

These reported fund balances may in some cases be subject to restrictions in their use that would continue under the new municipality or have been assigned to specific uses following the 2018 audit. The consultants have not considered the use of these fund balances to provide some transitional funding either for general fund operations or the water and wastewater operations of the consolidated municipality. Nonetheless, these fund balances would be combined upon consolidation and would be available for uses under the joint agreement for consolidation.

Other Revenue Sources

It must be noted that PEL did not do a detailed analysis of all the fees and permit charges in each of the municipalities. A detailed review of these fees and permits will need to be conducted if the consolidation process is approved. In general, this would need to be done in the context of ordinance review and codification. PEL further recommends that an application for a state grant be sought to fund this ordinance codification and review of general administrative and legal compilations. With respect to charges for services, PEL again believes the 2020 budget sum of the individual municipalities' revenue would be the result, although there may be slight variations.

There is no consolidation tax issue related to Liquid Fuels Funds. Money from the commonwealth is provided to each municipality to help maintain streets and highways. A consolidation has no effect on the allocation of funds from the commonwealth because the commonwealth's allocation is based on road miles and population.

Both municipalities receive federal Community Development Block Grant (CDBG) funding from the commonwealth under an allocation process governed by Act 179 of 1984. The act established an annual CDBG entitlement for certain municipalities and counties based on population and other criteria. Under this process, DuBois received \$304,856 in entitlement funding directly from the commonwealth under its city classification. Sandy Township also receives a direct appropriation but at a lesser amount as a second-class township. In 2020, the township received \$161,951 for CDBG.

Debt Service

Both municipalities have debt service obligations, primarily for water, wastewater and general purposes. As shown in Table 2-22, the city's outstanding debt at the end of 2019 totaled \$18 million with maturity dates ranging from 2021 through 2040. The total includes the following debt: general fund, \$4.8 million; water fund, \$9.8 million; and wastewater, \$3.5 million. The city's total annual debt service payment is approximately \$1.1 million. It is split between the general (\$189,473), sewer (\$287,913) and water funds (\$654,580).

Table 2-22

2019 Outstanding Debt Obligations for DuBois City

Source	Fund	Original Amount	Matures	Balance at 12/31/2019	General Fund	Water Fund	Sewer Fund
Pennvest 2006	Sewer	\$1,484,050	2027	\$594,231			\$594,231
S&T Bank 2012	Water, Sewer	\$9,000,000	2037	\$6,989,187		\$5,472,287	\$1,516,900
S&T Bank 2013	General, Water Sewer	\$4,664,523	2028	\$3,662,923	\$915,731	\$1,391,911	\$1,355,281
S&T Bank 2015	General, Water	\$4,400,000	2040	\$3,807,830	\$871,872	\$2,935,958	—
S&T Bank 2018	General	\$3,000,000	2021	\$3,000,000	\$3,000,000	—	—
Total Debt	—	—	—	\$18,054,171	\$4,787,603	\$9,800,156	\$3,466,412

As of December 31, 2019, the township's outstanding debt obligations totaled almost \$5.9 million as shown in Table 2-23. Obligations are water system, \$3.1 million, and sewer, \$2.8 million. Annual debt service totals \$527,629 (sewer, \$481,292; and water, \$46,337).

Table 2-23*2019 Outstanding Debt Obligations for Sandy Township*

Source		Original Amount	Issued	Matures	Balance at 12/31/2019
PennVest – 1	Sewer	\$5,503,403	2005	2026	\$2,114,588
PennVest – 2	Sewer	\$462,621	2013	2024	\$188,245
PNC Bank	Sewer	\$1,236,425	2013	2023	\$471,391
U.S. Department of Agriculture (USDA)	Water	\$3,400,000	2012	2051	\$3,090,098
Total Due					\$5,864,322

All existing debt obligations will transfer to the consolidated municipality and will be the responsibility of the successor municipality. According to Sec.7024 (c) of the Municipal Consolidation or Merger Act, Act 90 of 1994: “Debts, liabilities and duties of each of the municipalities shall be attached to the consolidated or merged municipality and may be enforced against it.”

Both municipal budgets have adequate revenue for annual debt service. It is anticipated that the consolidated municipality will also have enough revenues to adequately meet the annual debt service requirements.

Chapter 3

Operations, Facilities and Related Considerations

Introduction

Operations and facilities of the city of DuBois and Sandy Township were reviewed to determine current service levels and conditions, and how those would potentially be combined in a consolidated municipality.

In terms of buildings and facilities, an addition to the existing DuBois City Hall building and some renovations to another city-owned building could be completed to provide adequate space for all employees, based on discussions with the current municipal managers.

The two communities' function in similar manners and particularly with public works, already share services with each other. A consolidated community would need a similar sized workforce to accomplish most of the tasks that are being performed today. However, there are some areas where there would be duplication of positions. Titles or departments with excess capacity after a consolidation include municipal manager, engineer, finance and administration.

In public works, there might be some duplication, particularly in the less skilled areas, but it will be important to ensure enough staff is present to plow. There is not enough information to render an opinion on the police department. The ratio of police officer to residents is two to three officers below that of similar sized communities in central and western Pennsylvania, but this study was not designed to perform a thorough evaluation of staffing levels.

Buildings and Facilities

The high-level facilities review is intended to inform decision makers about the general condition of the facilities used for administrative offices, law enforcement and public works. The parks and volunteer fire department facilities were not toured.

DuBois

DuBois City Hall is in the central business district at 16 West Scribner Avenue. The 16,000 square foot building was completed in 1989. The building houses all the offices for administration, the police department and meeting space for the city council and other boards. The lower level is primarily used by the Police Department. There is a public entrance with a small lobby. The full description of the police portion is in the police section of the report. The ground level has a meeting room, a small reception area and several administrative offices including those for receiving tax and utility payments. The upper floor has the remaining administrative offices and a small conference room. All areas of the building are handicap accessible, although getting to the elevator requires passing into secure portions of the building.

The main public works complex is located at 10 Parkway Drive, near the largest city park. The complex includes several buildings used by the DPW and an area dedicated to fire service training. The main building has offices for the foreman and assistant foreman, a locker room, and the mechanic's area. A second building has parking spaces for several large vehicles and a multipurpose

training room that is often used by the fire departments. The complex has numerous parking spaces for vehicles, a salt barn and space to store essential road repair materials.

The wastewater and water distribution facilities are described in their sections of the report.

Sandy Township

The Sandy Township Municipal Building is located at 1094 Chestnut Avenue, in the southern third of the township. The municipal building is 5,655 square feet and was completed in 1965. The municipal operations are on a single level in the building. The municipal operations area includes a small lobby, a service window for receiving taxes and other municipal submissions, a board room, and offices for the administrative staff. The police department offices are in a separate section of the building with its own entrance. The building has multiple deficiencies including an aging roof and poor heating, cooling and ventilation systems that have led the township to begin setting aside funds to support the building of a new municipal building soon.

The public works facilities are also located on this property and include two aluminum sided garages. The smaller of the buildings has two large bays that are used by the mechanic and contains the offices for the foreman as well as parts storage. The larger building is used generally for storage of vehicles and road maintenance equipment. It has minimal environmental controls. The property also has parking vehicles spaces and has a drop off area for recyclables.

Analysis

As part of a municipal reorganization, a detailed space needs and utilization study should be undertaken. Future plans for administrative and law enforcement functions should focus on DuBois City Hall. However, the current configuration of the building would not be able to accommodate all the people and staff. As noted in the police section, the DuBois Police Department is already nearing functional capacity and would need additional space.

Possible reconfigurations or additions would include converting part of the garage space into useable space for the police department; moving engineering, public works and redevelopment authority staff to another facility; and moving police department leadership and investigative staff to other spaces in the building.

Sandy Township's building is not a viable facility for future operations, although it would be reasonable to repurpose some of the property as an auxiliary storage area for public works equipment and materials.

Fleet Comparison

As part of the analysis on the operations of the two municipalities, vehicles, their expected lifecycle and replacement costs were reviewed. Potential duplication among the fleets that might lead to savings if a consolidation occurred was also considered.

Sandy Township

Sandy Township has 53 vehicles in its fleet. Of these, 44 belong to Public Works, six to the Police Department and three to Administration.

Administrative Vehicles

Administration has three SUV-type vehicles, two of which are proposed for replacement in 2024 and one in 2029. These range in estimated replacement cost from \$30,000 to \$50,000.

Police Vehicles

The Police Department has four 2018/2019 Dodge Chargers and two 2014 Chevy Tahoes. These are scheduled for replacement in 2023/24 and 2021, respectively. Estimated costs are \$35,000 for the Chargers and \$45,000 for the Tahoes.

Public Works Vehicles

Public Works has a range of vehicles, many of which are specialized construction vehicles. It has six heavy trucks with replacement costs estimated between \$100,000 and \$180,000, two of which are proposed to be replaced this year and next. There are five pickups, with estimated price tags from \$35,000 to \$40,000, two of which are proposed for replacement in the next two years. Three dump trucks will not need replacement before 2028. Other stock includes bucket trucks, three steam rollers, leaf vacuor trucks, skid steer loaders, pavers, excavators, backhoes and woodchippers.

Additional Equipment

Sandy Township also lists 24 pieces of supplementary non-vehicle equipment stock, such as jackhammer, asphalt planer and snowplow attachments for existing vehicles, compactors, cement saws, portable generators, two commercial-grade mowers, and an ENRADD police speed enforcement system.

Table 3-1
Sandy Township Equipment

YEAR/MAKE	MODEL	EST. REPLACEMENT COST	PROPOSED REPLACEMENT YEAR	DEPARTMENT
2019 Ford	Escape	\$35,000.00	2029	Administration
2011 Ford	F250	\$30,000.00	2024	Administration
2014 Chevy	Tahoe	\$50,000.00	2024	Administration
2016/Dodge	Charger	\$35,000.00	2022	Police
2018/Dodge	Charger	\$35,000.00	2023	Police
2019/Dodge	Charger	\$35,000.00	2024	Police
2019/Dodge	Charger	\$35,000.00	2024	Police
2014 Chevy	Tahoe	\$45,000.00	2021	Police
2014 Chevy	Tahoe	\$45,000.00	2021	Police
1992 LeeBoy	Asphalt Maintainer	\$100,000.00	2025	Public Works
2010 JD	Backhoe	\$100,000.00	2030	Public Works
1980 Athey	Belt Loader	\$50,000.00	2035	Public Works
2020 Massey Ferguson	Boom Mower	\$154,000.00	2040	Public Works
2004 Cargo King	Box Trailer	\$8,000.00	2034	Public Works
1994 Ford	Bucket Truck	\$100,000.00	2024	Public Works
2001 Mack	Dump	\$75,000.00	2031	Public Works
1998 Mack	Dump	\$75,000.00	2028	Public Works
2002 Mack	Dump	\$75,000.00	2032	Public Works
2012 JD	Excavator	\$120,000.00	2032	Public Works
2000 MGS	Generator	\$12,000.00	2025	Public Works
1997 Tarco	Leaf Vactor			Public Works
2005 Volvo	Loader	\$125,000.00	2035	Public Works
1997 Case	Loader	\$125,000.00	2021	Public Works
2008 JCB	Mini Excavator	\$120,000.00	2028	Public Works
1988 IH	Oil Dist Truck	\$50,000.00	2035	Public Works
2000 Lee Boy	Paver	\$80,000.00	2030	Public Works
2015 Ford	Pickup	\$35,000.00	2025	Public Works
2020 Chevrolet 2500	Pickup	\$40,000.00	2030	Public Works
2020 Chevrolet	Pickup	\$40,000.00	2030	Public Works
2011 Ford	Pickup	\$35,000.00	2021	Public Works
1999 Ford	Pickup	\$35,000.00	2020	Public Works
2017 IH	Recycling Truck	\$145,000.00	2037	Public Works
2014 NORAM	Road Grader	\$170,000.00	2044	Public Works
2008 SAKAI	Roller	\$60,000.00	2038	Public Works
1970 Galion	Roller	\$5,000.00	2040	Public Works
1995 CAT Roller	Roller CB-224C	\$40,000.00	2025	Public Works
2013 Gehl	Skid Steer	\$90,000.00	2033	Public Works
2015 Isuzo	Sweeper	\$200,000.00	2035	Public Works
1996 Chausse	Tar Kettle	\$25,000.00	2022	Public Works
2015 IH	Terrastar	\$100,000.00	2023	Public Works
1994 John Deere	Tractor Park	\$30,000.00	2030	Public Works
1988 Eager Beaver	Trailer	\$20,000.00	2030	Public Works
1996 Viking	Trailer	\$20,000.00	2026	Public Works

YEAR/MAKE	MODEL	EST. REPLACEMENT COST	PROPOSED REPLACEMENT YEAR	DEPARTMENT
2004 Rogers	Trailer	\$35,000.00	2034	Public Works
2020 Chevrolet 5500	Truck	\$100,000.00	2030	Public Works
2008 GMC	Truck	\$100,000.00	2021	Public Works
2009 GMC	Truck	\$100,000.00	2020	Public Works
2018 Peterbuilt	Truck	\$180,000.00	2033	Public Works
2019 Peterbuilt	Truck	\$180,000.00	2029	Public Works
2008 IH	Truck	\$180,000.00	2026	Public Works
1996 Ford	Vactor	\$275,000.00	2020	Public Works
2004 Ford	Van	\$60,000.00	2024	Public Works
1996 Bandit	Woodchipper	\$75,000.00	2036	Public Works

Table 3-2

Sandy Additional Equipment

DESCRIPTION	DETAIL 1	DETAIL 2	EST. REPLACEMENT COST	PROPOSED REPLACEMENT YEAR
Elkin	Tailgate Spreader	Total 7 spreaders	\$5,000.00	Replaced with new truck purchase
Wacker Neuson	BS50-2i	Hand Tamper	\$5,000.00	2022
MB Power Broom	LLB	Loader Attachment	\$12,000.00	2025
Gledhill Power Plow	Reversing 11'	Total 3 plows	\$11,000.00	Replaced with new truck purchase
Cement Saw	IA	Stihl	\$1,000.00	Replace when needed
Cement Saw	IA	Wacker	\$1,000.00	Replace when needed
Wacker Compactor	BPU2540A	Vibrating Plate	\$300.00	Replace when needed
Western Snowplow	7 1/2'	Unit 32	\$4,500.00	Will be auctioned/not replaced
Gledhill	Chip Boxes	Total 6 boxes	\$4,000.00	Replaced with new truck purchase as needed
Western Snowplow	10' Angle	Total 4 plows	\$10,000.00	Replaced with new truck purchase
Backhoe Wacker	VPG160K	Equipment Attachment	\$25,000.00	Replace when needed
Generator	Water & Sewer	5115-00-465-1044	\$1,000.00	Replace when needed
Onan Quiet Site	II-Generator	305-0812-01	\$40,000.00	Replace when needed
Electronic Non-Radar Device	(ENRADD)	SN471	\$4,000.00	Police-Replace when needed
Asphalt Plainer	(for Skidsteer)	\$23,065.00	\$17,000.00	2033
Rock Wheel	(for Skidsteer)	\$1,256,344.00	\$19,000.00	2033
Forks	(for Skidsteer)		\$1,000.00	2033
Jackhammer	(for Backhoe)		\$25,000.00	2030
Western Snowplow	8' Pro Plus	Unit 14	\$6,000.00	2021
Tenco Plow	1-way 11'	Unit 11	\$15,000.00	2026
Boss Snowplow	8'2 V plow	Unit 7	\$5,400.00	2030
Toro Zero-Turn	Property Mower		\$7,500.00	2025
Toro Zero-Turn	Park Mower		\$7,500.00	2030
Generator	Road Dept			

Sandy Township Staff's Fleet Assessment

Overall State of Fleet

Project staff interviewed Sandy Township Public Works Director Matt Cook for his assessment of the fleet. Mr. Cook assessed that the fleet is in good shape, overall, especially the main vehicles they use, such as snowplows. Dump trucks and the AC loaders are purchased used through PennDOT auctions and repaired as needed. While these have some dependability issues due to their age and previous usage, they can be maintained in decent shape.

Equipment Replacement

Mr. Cook stated that the ideal for replacement is a seven-year schedule, but because that is not realistic for Sandy, replacement is decided by repair expenditures: when it starts costing as much or more to repair a vehicle as replace it, it is replaced. However, Sandy's fleet database includes a proposed replacement year for all equipment.

Vehicle Maintenance

Sandy has one full-time mechanic and conducts almost all its work in-house, including breaking down and rebuilding diesel engines, if needed. This mechanic is assisted by a road crew worker approximately two days a week to lighten his load. Larger pieces of equipment are occasionally sent out for repair, such as to the local Ford dealer.

Mr. Cook states that the garage is adequate for the current needs, and they can get everything important under a roof in the wintertime.

Plowing

Sandy has five main snowplow routes, each of which takes roughly an 8-hour shift to complete. There are nine staff to plow, with the mechanic excluded to attend to his duties. There is a morning and an afternoon plow shift, with the staff divided roughly in half between them: the morning shift cleans and treats main thoroughfares and the afternoon shift cleans up remaining work and maintains key areas.

Sharing Equipment with DuBois

Mr. Cook estimated that, in the event of a merger, there would be few potential reductions of staff and vehicles in a combined fleet, stating that the Public Works fleet currently has exactly what they need and nothing extra, and likewise, there are few additional vehicles or items from DuBois's fleet that are needed to fill in gaps.

He states that DuBois has a sewer camera truck that they let Sandy use on occasion and notes that surrounding municipalities already practice sharing and cooperation, such as loaning services and pieces of equipment to each other on an informal basis when needed.

City of DuBois

DuBois has 54 vehicles in its fleet. Of these, 40 belong to the Public Works garage, 12 to the Police Department and two to the Water Treatment Plant. In contrast to Sandy, it does not list proposed replacement dates.

Water and Sewage Treatment Plants

The water treatment plant has two Ford trucks, one from 2017 and a 2019 Ford F250 Crew Cab with a plow, and a trailer. As well, it has one Cub Cadet utility terrain vehicle (UTV) and two Cub Cadet driving mowers.

The sewage treatment plant has one John Deere tractor mower, three Cub Cadet driving mowers and one Cub Cadet utility terrain vehicle.

Police Vehicles

The Police Department has four Dodge Chargers, from 2011, 2014, 2018 and 2019, respectively, with values ranging from \$25,000 to \$39,800. It has two 2018/2019 Dodge Durangos, with values from \$40,300 to \$41,700. It has one 2011 Ford F150, valued at \$26,000, one 2012 Ford Expedition, valued at \$26,500, and one Ford Explorer Interceptor, valued at \$34,600.

Public Works vehicles

Public Works has a range of vehicles, many of which are specialized construction vehicles. It has 10 pickups, mainly Ford F150s and F250s, ranging in value from \$23,400 to \$45,200; nine dump trucks, ranging in value from \$35,000 to \$190,000; eight trailers; seven specialty trucks, which includes backhoes and vactors; and four utility trucks. Other vehicles include towed woodchippers, light towers and air compressors.

Additional equipment

DuBois also lists 25 pieces of supplementary non-vehicle equipment stock. This includes seven commercial-grade mowers purchased in 2020 – three belonging to DPW and two each belonging to the Water and Sewage Treatment Plants, respectively; three additional mowers, a bulldozer, a forklift, a cement mixer, etc.

Table 3-3
City of DuBois vehicles

YEAR/MAKE	MODEL	EST. REPLACEMENT COST	Department
2014 Dodge	Charger	\$33,708.38	Police
2011 Dodge	Charger (unmarked)	\$29,500.00	Police
2018 Dodge	Charger AWD	\$24,985.00	Police
2019 Dodge	Charger AWD	\$39,770.00	Police
2018 Dodge	Durango	\$41,725.00	Police
2019 Dodge	Durango	\$40,250.00	Police
2012 Ford	Expedition	\$26,500.00	Police
2017 Ford	Explorer Interceptor	\$34,580.00	Police
2011 Ford	F150	\$25,977.00	Police
2013 Ford	F550	\$75,000.00	Police
2013 Ford	F550	\$75,000.00	Police
2013 Ford	F550	\$91,638.00	Police
1994 Chevrolet	1500 4X4 Pickup (camera truck)	\$15,000.00	Public Works
2012 Compliment	538 Trailer	\$1,750.00	Public Works
2009 Super Case	580 Super M Backhoe	\$76,856.00	Public Works
2011 Case	621E Wheel Loader	\$131,284.00	Public Works
2000 GMC	6500 2X4 Dump Truck w/Plow	\$49,000.00	Public Works
2011 International	7400SF Dump Truck	\$140,254.00	Public Works
2003 IR185	Air Compressor w/Gauge & Man Reel	\$9,995.00	Public Works
2009 Case	Backhoe 580 SuperM	\$80,000.00	Public Works
2004 GMC	Dump 6500	\$57,000.00	Public Works
2017 Freightliner	Dump Truck	\$190,000.00	Public Works
2007 Ford	Explorer	\$30,334.00	Public Works
2016 Ford	F150 SuperCrew	\$42,435.00	Public Works
2017 Ford	F150 SuperCrew	\$23,400.00	Public Works
2019 Ford	F250	\$42,520.00	Public Works
2019 Ford	F250 Crew Cab	\$56,725.00	Public Works
2008 Ford	F250 Diesel Pickup	\$35,000.00	Public Works
2008 Ford	F250 Diesel Pickup	\$35,000.00	Public Works
2019 Ford	F250 SuperCab	\$45,190.00	Public Works
2018 Ford	F250 SuperDuty	\$36,276.00	Public Works
2018 Ford	F250 SuperDuty W/Liftgate	\$39,736.00	Public Works
2006 Ford	F350	\$32,322.00	Public Works
2009 Ford	F350 Dump Truck	\$40,000.00	Public Works
2008 Ford	F350 Dump Truck W/Plow & Spreader	\$35,827.00	Public Works
2008 Ford	F450 Bucket Truck	\$58,800.00	Public Works
2016 Ford	F550 Crane Truck	\$136,225.00	Public Works
2018 Ford	F550 Dump	\$105,073.89	Public Works
1996 Ford	F800 Dump	\$35,000.00	Public Works
2007 Dodge	Grand Caravan	\$2,500.00	Public Works
2007 Mack	Granite Dump Truck	\$80,000.00	Public Works
2005 Wacker	LT Cyl Light Tower		Public Works
2019 Elgin	Pelican Sweeper	\$239,313.38	Public Works

YEAR/MAKE	MODEL	EST. REPLACEMENT COST	Department
2016 Cam	Superline Trailer	\$11,000.00	Public Works
2003 Chevrolet	Tahoe	\$27,000.00	Public Works
2012 Chevrolet	Tahoe	\$36,646.42	Public Works
1997 International	Trailer	\$10,000.00	Public Works
1998 Moritz	Trailer	\$15,000.00	Public Works
2010 EH Wachs	Trailer		Public Works
2012 Towmaster	Trailer (12 Bobcat E55)	\$8,035.00	Public Works
2011 Interstate	Trailer (for Case Excavator)	\$12,839.00	Public Works
2008 MGS	Trailer W/ Godwin Pump	\$40,793.00	Public Works
2016 Freighliner	Vactor 2100 Plus	\$395,434.72	Public Works
1993 Mobark	Woodchipper - EZ Beaver	\$17,541.00	Public Works
2018 John Deere	X380	\$4,500.00	STP
2019 Ford	F250 Crew Cab with Plow	\$53,637.37	WTP
2019 Compliment	LST Trailer 6'8"x20'	\$4,839.95	WTP
2017 Ford	Truck	\$38,210.00	WTP

Table 3-4*DuBois Additional Equipment*

YEAR/MAKE	MODEL	EST. REPLACEMENT COST	DEPARTMENT
Wachs	Trav-L-Vac 300	\$14,397.00	Public Works
2019 Caterpillar	259D3	\$58,496.00	Public Works
2018 John Deere	6145M	\$99,826.76	Public Works
2018 Cub Cadet	CX750 EPS with cabheater & plow	\$19,012.00	Public Works
2018 Bobcat	E35 Excavator	\$65,000.00	Public Works
2018 Bobcat	E55 Excavator	\$80,000.00	Public Works
2010 Case	Excavator	\$98,000.00	Public Works
	Forklift Model 750D	\$5,500.00	Public Works
2014 Club Car	Golf Cart	\$3,295.00	Public Works
2018 Cub Cadet	Challenger LX400 UTV	\$6,600.00	Public Works
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.00	Public Works
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.00	Public Works
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.00	Public Works
Dyna Pac	Roller	\$3,000.00	Public Works
1995	Stone Cement Mixer	\$10,000.00	Public Works
1970 Western Trailer/Dynapac Roller	Trailer/Roller	\$25,000.00	Public Works
2010	Utility Trailer	\$1,740.00	Public Works
2018 John Deere	X758	\$22,918.79	Public Works
2015 Cub Cadet	Zero Turn Mower ZD560	\$5,850.00	STP
2018 Cub Cadet	Challenger CX750 Crew UTV	\$11,999.00	STP
2020 Cub Cadet	Pro Z 960S KW	\$12,649.00	STP
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.00	STP
2018 Cub Cadet	Challenger CX750 Crew UTV	\$11,999.00	WTP
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.00	WTP
2020 Cub Cadet	Pro Z 972 SD Mower	\$15,999.99	WTP

DuBois Staff's Fleet Assessment***Overall State of Fleet***

Project staff interviewed City of DuBois Engineer and Public Works Director Chris Nasuti for his assessment of the fleet. Mr. Nasuti assessed that the current fleet situation is ideal, with the equipment they need. There are no obvious gaps that would require renting equipment, etc.

Equipment Replacement

DuBois's fleet replacement schedule is based on years of use, depending on the equipment. For example, vector trucks are on a 5-year replacement schedule, sweepers on a 4-year schedule, backhoes on a 3-year schedule and mowers on an annual schedule. Police vehicles are decided separately, based on level of wear and tear.

Vehicle Maintenance

DuBois has two full-time mechanics who can handle the workload well without being stretched thin or being short of work. Warranty work and heavy equipment work is outsourced either to the local Ford dealer or a heavy equipment supplier in Pittsburgh.

Mr. Nasuti states that available garage is adequate for the current needs but does not have excess capacity. If a merger changed storage arrangements or fleet size, increased garage space or multiple sites would be needed.

Plowing

DuBois has five plow routes, corresponding to the five wards of the city. It takes about four hours for each truck to complete a route. There is one cleaning in the morning and one in the afternoon. The police can call in at any time to notify of hazardous conditions and the fleet will call out drivers as needed.

Sharing Equipment with Sandy

Mr. Nasuti estimated that in a merger there might be some pieces of excavation and sewer cleaning equipment that were duplicated and could be reduced, such as sweepers, vactors, or some backhoes and excavators. He did not believe that plows would be duplicated, noting a key difference is that Sandy does bigger, longer rural runs, using bigger plows, whereas DuBois does runs in narrower streets, using smaller plows in some cases.

Table 3-5

Summary Table of Equipment

Type	Sandy	DuBois	Total
Backhoe/ Excavator	1	5	6
Bucket Truck	1	1	2
Dump Truck (all sizes)	15	9	24
Grader	1	0	1
Loader	2	1	3
Pick Up (all sizes)	6	12	18
Police (all types)	6	12	18
Recycling Truck	1	0	1
Roller	2	0	2
Skid Steer	1	0	1
Specialized Vehicles	8	4	12
SUV/ Van (non-police)	2	4	6
Street Sweeper	1	1	2
Tar Spreader	1	0	1
Trailer	3	9	12
Vactor Truck	1	1	2

Manager

Both communities have an appointed municipal manager that oversees the day-to-day operations, budgeting and planning for their communities. In general, the role of this position is to serve as the chief executive for the community. Although the scale of operations and specific tasks vary by the community, they are similar in scope and responsibility.

DuBois

The manager of the city has held the role since 2010 and previously served as both mayor and manager of the city. The role involves active management of the administrative staff of the city and oversight of the city department heads. The role serves as the budget officer and open records officer for the city. The manager is responsible for day-to-day details of the city operations including signing authority on many purchases, overseeing major initiatives and providing guidance to the department heads regarding operations.

Sandy Township

The manager of the town has held the role since 2019. He previously worked for a larger town in the Pittsburgh area and is a native to Sandy Township. As with the city, the role involves active management of the administrative staff and oversight of the department heads. As needed, the manager's role may fill in for staff, such as temporarily serving as the planning director. The manager in the township has similar responsibilities including signing authority, directing major initiatives and providing supervision for the department heads.

Analysis

The two roles are similar in scope and daily activities, although the city's operation is larger. In a consolidated community, there would be only one manager. This recommendation is made on the overall size of the staff and the breadth of responsibilities. However, during a transition period one of the two incumbents would be very valuable in the role of transition manager to help identify and address concerns that will come up during the shift to a new form of local government.

Administration

The administrative staff of the two municipalities is relatively small. They both focus on managing the finances of the municipality, record keeping and constituent services. The position titles and specific tasks vary between the municipalities as noted in the discussion.

DuBois

The administrative staff consists of six full time employees that all work from City Hall. The finance officer is responsible for accounts payable, payroll, benefits, insurances and risk management activities. The city prints its own checks and manages the entire payroll process. The city issues more than 200 checks each month to operate, and payroll is a biweekly direct deposit process. The finance officer also manages the employee on boarding process and works with the pension plans for the employees. This position is assisted by a clerk for approximately half of the clerk's hours, with that clerk assisting the water coordinator for the other half of her time.

Two employees are responsible for managing the water and wastewater billing process for the city. The employees print the bills, prepare the mailings and receive the payments. The majority of payments are received through the mail and are manually processed. One employee is dedicated to the role of reception for all city hall business. They will receive a variety of forms and applications including taxes, building permit applications, and payments. The elected treasurer position is a part time position that oversees the receipt of taxes and reviews the city's financial operations.

Sandy Township

There is a single full-time secretary and treasurer position in Sandy. She is assisted on a part time basis by an administrative assistant (who also assists the township manager). There is an elected tax collector who is responsible for overseeing the receipt of taxes for the township, county and school district. The township bills for water and wastewater on a monthly basis. The fees can be remitted to a bank or paid through an on-line portal. This position receives permit applications and fees, police department fines, and reconciles the bank accounts. They are also responsible for overseeing the payroll process, employee benefits and pension payments. They help oversee the police pension accounts. They are also responsible for supporting the board of supervisors with developing the agenda and keeping minutes.

Analysis

The two communities are focused on supporting the needs of their municipality through customer service. In a combined municipality, there would be an opportunity to reduce the number of staff necessary to carry out the administrative tasks of government. For example, either payroll process could absorb the additional employees without adding more staff.

Sandy Township's process for water and sewer billing is more efficient with their bank receiving payments rather than municipal employees. This service does not cost the township anything additional. Further, expanding methods for on-line payments would improve customer service to their residents. Although the analysis chose not to identify which positions are most appropriate for elimination, a reorganized municipality would likely be able to operate with two or three fewer FTEs after the consolidation was completed. The municipality would only need a single finance director and one or two of the lower level positions could also be eliminated.

Information Technology

For a modern local government, information technology is essential to provide services needed to carry out its mission. Information technology is broadly defined to include computers, tablets, servers, networks, software, hardware, phone systems, security systems and cameras.

DuBois

The city has recently hired a full-time person to support the information technology infrastructure in the city. Prior to their start, the role of managing the IT infrastructure has been shared among multiple administrative positions. The city uses dozens of Windows based desktop and laptop units that are connected through a network. The primary servers are at City Hall with mirrored virtual backups.

The Police Department functions on a separate network that also supports the in-vehicle records management system. There are separate servers that support the water plant and sewer plant. The fire houses are connected to the primary network using a virtual private network (VPN) that is used to support the building security system. The city also has a camera system throughout its properties that utilizes about three dozen cameras.

Many of the municipal operations are managed using the Edmunds GovTech software. For example, this software handles permit applications, inspections, refuse invoicing, water billing and bill payment. The city is actively pursuing a new software solution for records management for the police department.

Sandy Township

The IT operations for the township are focused on the township building. There are separate servers in the building for the general municipal operations and the police department. The servers are mirrored to the cloud as a back-up. Several employees handle the first line of IT issues for the township and there is a contract with a local company, Carlson Technologies, which handles more substantial issues and regular maintenance. The township will be moving to Accufund software at the beginning of 2021 for most municipal operations including payroll, purchasing, utility billing and permit tracking.

Analysis

The two municipalities use different municipal management and police software packages. In a consolidated community, they would pick one option for each of software packages and one method for managing the network. It would be reasonable to assume that one full time position could be dedicated to managing the IT needs of a consolidated community.

Building, Codes, Zoning and Inspection

Both communities have zoning laws and enforce building codes based on international standards. They operate in a similar manner using in-house personnel for zoning and code enforcement in combination with an outside firm for building inspection.

DuBois

The city has a full-time position that acts as the zoning officer and code enforcement officer. The position also oversees the work of an outside company, PennSafe that performs all the building inspections on behalf of the city. The city collects all the fees for the process and pays the outside company for their work. In recent years, there have been about 150 permit applications. It is estimated that the position spends about 75 percent of their time on zoning enforcement activities.

Sandy Township

Sandy Township has a full-time position for zoning, planning, code enforcement and the economic development office. Additionally, the township engineer is involved in the review of plans and oversight of the building inspection company. Sandy Township uses the same company (PennSafe) as DuBois to conduct the inspections. Sandy Township receives a 20 percent payment from the

permit applications. The position divides their time between the various responsibilities and is able to handle the current volume of work.

Analysis

The volume of work for a combined municipality would likely be similar as the current situation. The arrangement with outsourced building inspections would likely continue. A combined office might allow for more specialization among the staff, but there are not apparent efficiencies for a consolidated municipality.

Fire Service

The fire service is an integral part of the community in both Sandy Township and DuBois. Many of the elected officials and organizational leaders have a current or past role with one of the fire companies that serve the two communities. It is important to note that the proposed reorganization process will not have an immediate impact on how the fire service operates. The level of funding for the fire departments would remain the same after reorganization. There might be the need to change the governance structures of the fire service as part of the reorganization, but the process would play out over years with the involvement of the fire service leadership.

Because the impact of reorganization on the fire service will not be immediate or effect the front-line delivery of service, this section of the report provides only an overview of the services provided.

DuBois

There are five volunteer companies that serve the city – Volunteer Hose Company # 1, Friendship Hose Company #2, J.E. DuBois Hose Company #3, Fourth Ward Hose Company #4 and Goodwill Hose Company #5. The companies effectively operate as a single department with one chain of command and multiple companies dispatched on each alarm. The companies are funded through the city's general fund, with about \$250,000 allocated in the 2020 budget for the operations of the companies. The city owns all the stations and apparatus. The companies respond to about 300 calls each year combined. The budgeted amount does not include capital purchases, which in the past have been paid for at least in part through Community Development Block Grant (CDBG) funds. It is the understanding of the consultant that the city was able to conform to the 51 percent low to moderate income requirement by using survey data, a process also used by Sandy and one that would continue under a combined municipality.

Sandy Township

Sandy Township has contracts with four volunteer fire companies that serve the township – Adrian Sandy Fire Company, North Point Fire Company, Oklahoma Civil Defense Fire Company and the West Sandy Fire Company. Each company operates separately and has its own chain of command. The companies collectively select a single fire chief that serves as the chief for the township. The companies have separate and specific districts that they respond to, but multiple companies are dispatched on large or high-risk events to ensure there is adequate manpower and equipment. The companies each receive the same amount (\$5,000) monthly from the township that is raised through a specific fire tax. The companies conduct additional fundraising to support their operations. The

companies, which are responsible for their own major capital purchases and own their own equipment and facilities, have a combined 500 calls each year.

Analysis

The two municipalities are currently undergoing a fire consolidation study. The study will determine if realistic alternative methods exist to provide for fire department services within the city of DuBois and Sandy Township with increased effectiveness while realizing a fiscally efficient system, according to the description provided by the municipalities. The study is to evaluate partial or complete consolidation to achieve enhanced safety, increased efficient operations and operational costs, coordination and use of regional resources with elimination of artificial boundaries and duplication of resources, and standardization of services and programs.

In addition, it is the assumption of this report that support and arrangements with the various volunteer fire departments would remain the same under a new municipality. In terms of the ownership of equipment and/or buildings, anything owned by the current municipalities would be transferred to the new municipality.

DuBois and Sandy Township are fortunate to have large and active volunteer fire departments. In interviews, it was suggested that there have been slight declines in the number of volunteers in recent years in some of the nine companies, but that the overall fire service remains able to provide a high-quality fire response.

Additionally, both municipalities allow their employees to be “released” to volunteer with the fire service when necessary. During a reorganization process, it should be a priority to ensure the environment remains supportive to volunteers and that adequate funding exists to support both the day to day and capital needs of the organization.

Police Department

The two police departments function in a similar manner and frequently assist each other when needed. Because of the geographic boundaries, Sandy Township units frequently need to drive through DuBois as part of their patrolling or to respond to calls for service.

DuBois

There are 13 full-time officers, including higher ranks, in the police department, making it the largest municipal department in Clearfield County. There are eight patrol officers, two corporals, a sergeant, an assistant chief and the chief. There is also a police secretary that assists with records management and department activities.

The patrol activities are supported by the eight officers working 12 hour shifts with generally a four day on/four day off schedule. There are also some ten hour shifts to balance the hours worked and ensure coverage during peak hours. The minimum patrol staffing is two officers. There is also typically a corporal or sergeant available as a supervisor. One of the officers is trained and equipped as a canine officer. He is available for call outs when off duty.

Officers generally handle the investigations of their own lower level crimes. However, one of the corporals and the sergeant have additional training and expertise in criminal investigation. All the officers are sworn in as members of the attorney general's drug task force for narcotics, but the department is not able to dedicate any officers as a full-time member.

The department is in the lower level of city hall and has a large vehicle garage that can contain at least six vehicles. It also allows members of the department to bring a subject in custody into the building without being outside. The department has limited space available for report writing and administrative offices. The department has recently completed an upgrade to its interview room. The evidence storage area is also nearing its capacity.

In recent years, the department has been able to update several key types of equipment for the officers including patrol rifles, handguns, and TASERs. They have also been able to add new vehicles to the fleet, replacing several that were out of date. The department is pursuing funding to obtain license plate readers. The department doesn't use body worn cameras.

Sandy Township

There are 12 full-time and one part-time sworn personnel in the Sandy Township Police Department (SPD). There are 11 officers, including two sergeants, two corporals and the chief. The department is shifting to a model of full-time police officers, with three appointed in the last several years to replace part-time officers. There is also a clerical staff member that assists the department operations.

The patrol operations are supported by the officers working a rotation of four, 10-hour shifts each week. The staffing model typically has a minimum of two officers on duty at a time, and they can overlap so that three officers may be on duty in the busier evening hours. This leads to only a single officer being on duty from 4 a.m. to 8 a.m. However, on January 1, 2021, the department is planning to move to 12-hour shifts for its patrol officers with two on duty at a time.

SPD is one of about 15 percent of departments in the state that are accredited by the Pennsylvania Law Enforcement Accreditation Commission (PLEAC). SPD has been accredited since 2013 and has passed the last two reaccreditation processes. They are the only accredited agency in Clearfield County. The chief is also the accreditation manager and serves as an evaluator for other agencies on behalf of PLEAC.

The originating officer is responsible for most investigations. The sergeant has additional training and fills the role of department detective. They will also use specialized interviewers from Clearfield County as necessary for certain cases, particularly involving juveniles.

Officers are equipped with newer pistols, patrol rifles, TASERs, and pepper spray. Officers are assigned their own patrol rifle and tactical gear to keep with them in the case of an off-duty incident requiring their recall. The department recently acquired body cameras.

The department's workspace is in the municipal building and is at functional capacity. The department is the regional booking center and maintains the necessary equipment such as digital fingerprint machine, alcohol breath tester and photographic equipment. The department is reimbursed on a quarterly basis for the bookings that are performed by outside agencies.

Crime

The U.S. Department of Justice collects data on reported crimes using a standard definition of crimes to allow for both a comparison over time and amongst communities. Overall, reported serious crime (Index I) has been dropping in the two communities for the last decade. Violent crime accounts for an average of only 8 percent of serious crimes in DuBois and 10 percent in Sandy Township over the last decade. However, violent crimes as a share of serious crimes has been ticking up in both communities.

Table 3-6

Index Crimes

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Clearfield Co.	2,054	2,007	2,115	2,088	1,834	1,617	1,567	1,447	1,402	1,357	NA
DuBois	305	351	310	272	244	262	202	248	183	151	183
Sandy Township	330	281	312	379	362	258	212	207	183	165	183
Violent Crimes (Murder, Neg. Manslaughter, Rape, Robbery, Aggravated Assault, Burglary)											
Clearfield Co.	166	202	220	247	214	211	419	219	223	181	NA
DuBois	25	21	24	17	24	18	24	30	24	15	31
Sandy Township	15	9	20	35	22	17	16	9	20	31	25
Property Crime (Larceny/Theft, Motor Vehicle Theft, Arson)											
Clearfield Co.	1,888	1,805	1,895	1,841	1,620	1,406	1,148	1,228	1,179	1,176	NA
DuBois	280	330	286	255	220	244	178	218	159	136	152
Sandy Township	315	272	292	344	340	241	196	198	163	134	158

When compared to the rest of Clearfield County and 51 other Pennsylvania communities with a population of 6,000 to 14,000, the rate of crime is similar. The average in the 53 municipalities is 13.7 index crimes per thousand and in all Clearfield County it is 21.5.

Calls for Service

The two departments do not use common call for service definitions, which makes comparison in those measures difficult. DuBois tracks each received phone call as an event which increases their calls for service numbers compared to Sandy Township, which does not. If phone calls are excluded from event counts, the call volume in DuBois is nearly double what it is in Sandy Township. On a per capita basis, the call volume is two and two-thirds higher in DuBois. However, these comparisons need to be treated with some skepticism until a thorough review of calls for service and other activities is completed.

Table 3-7*Police Incident Comparison 2019*

Sandy Township Incident Type		DuBois Incident Types	
Alarms	164	Alarm	148
Animal Complaints	95	Animal Complaints	159
Assault/Fight/Disturbance	68	Assault	26
Assist other departments/Agencies	79	Assist Other Agencies	180
Burglary/Breaking and Entering	25	Burglary/ Robbery	11
Check Welfare/Medical Emergencies/Mental Health	236		
Criminal Complaints Filed	81		
Criminal Mischief/Disorderly Conduct	129	Criminal Mischief/ Disorderly Conduct/ Fight/ Public Drunkenness	336
		Dead Body	10
		Dispatched Telephone Calls *	339
Domestic/Offenses Against Families & Children	135	Domestic	195
Drug/Alcohol Offenses – Including Contributing to Delinquency of Minors	48	Drug Law Violations	157
		DuBois Area Schools/ Penn State DuBois	46
DUI	20	DUI	20
Fire/Burning	7		
Forgery/Fraud/Bad Checks	76		
Harassment	105	Harassment/ Stalking	203
Hazardous Conditions (water breaks, trees down, road hazards, etc.)	32		
Information/Follow-Up	449	Investigations/ Interviews/ Follow up/ Supplemental	2,329
Lost and Found	54	Property Lost & Found/Open Door	65
Miscellaneous	295		
Missing Persons (Including Runaways)	24	Missing Person	40

Sandy Township Incident Type		DuBois Incident Types	
		Motorist Assist/Detail/ Escort (Traffic)	29
Non-Reportable Accident	193		
Non-Traffic Citations	45		
Ordinance Violations	16	Complaint/ Ordinance Violation	56
		Penn Highlands Medical Center	79
Receiving Stolen Property	1		
Reportable Accident	88		
Sexual Offenses/Prostitution	33	Rape/ Sexual Assault	46
Weapons	11	Shots Fired/Firearm Violations	9
		Suicide Related	2
Suspicious Persons/Vehicles/Circumstances	177	Check Area/ Person/Suspicious Activity/ Prowler	756
Theft (all)	141	Theft/Forgery/ Fraud	274
Traffic Citations/ Traffic/Parking/ATV Complaints/Disabled Vehicles/ Hit and Run	793	Vehicle Accident/Traffic Related/ Vehicle Related	1,267
		Transport/Arraignment/ Court Hearing	909
Trespass	46	Trespassing/ Unwanted Person	78
		Walk In/ Direct Phone Calls *	4,632
Warnings	221		
Warrants	53	Warrant Service/ PFA Violations	105
2019 Totals	3,940		12,506
Total (Excluding Phone Calls and Walk Ins)	3,940		7,535
Events per Thousand Residents (Phone Calls excluded)	374		1001
Events Per Day (Excluding Phone Calls & Walk Ins)	11		21

Comparison to Other Communities

Using data available from state and federal sources, DuBois, Sandy Township and a hypothetical combined city were compared to several peer communities on population, reported officers and reported serious crime (See Table 3-8).

Sandy Township had the second lowest number of total officers by population (1.14 per 1,000) while DuBois was just above the average at 1.73 (average was 1.59.) A combined department would fall below the average at 1.38. The number of violent crimes is also below the average (4.8) for both communities (2.4 and 4.1) and a combined city (3.1). DuBois is at the average for property crimes (20.2). Sandy Township (14.4) and a combined city (16.8) would both fall below the average of the peer group.

Table 3-8

Police Department Comparison

County	Place	Population (2014-18)	Total Officers (2019)	Officers per 1,000 residents	Violent Crime	Violent Crime per 1,000	Property Crime	Property Crime per 1,000 residents
Clearfield	Sandy Township	10,522	12	1.14	25	2.4	152	14.4
Clearfield	DuBois	7,530	13	1.73	31	4.1	152	20.2
Clearfield	Sandy Township-DuBois	18,052	25	1.38	56	3.1	304	16.8
Westmoreland	Greensburg	14,377	28	1.95	20	1.4	255	17.7
Mercer	Hermitage	15,812	30	1.90	13	0.8	410	25.9
Cambria	Johnstown	19,812	38	1.92	186	9.4	459	23.2
Lebanon	Lebanon	25,739	41	1.59	65	2.5	528	20.5
Allegheny	McKeesport	19,365	45	2.32	318	16.4	573	29.6
Lawrence	New Castle	22,188	37	1.67	84	3.8	432	19.5
Elk	St. Mary's	12,535	15	1.20	26	2.1	118	9.4
Clearfield	Clearfield Borough	5,970	7	1.17	27	4.5	120	20.1
Clearfield	Lawrence Township	7,562	8	1.06	13	1.7	126	16.7
	Average	14,955	25	1.59	72	4.8	302	20.2

Drug Crime

The police chiefs both remarked on a pattern of drug abuse in the area. Relevant data sources track the data at the level of the county. Clearfield is reported to have the second highest rate of drug offenses per 1,000 residents and the highest rate of fatal drug poisonings compared to 12 other counties that are in the immediate area, although many of the neighboring counties were not analyzed because their small size (See Table 3-9).

Table 3-9
Drug Offenses by County

County	Population (2018 est)	Drug Abuse Offenses (2018)	Drug Abuse Offenses per 1,000 residents	Drug Abuse Arrests (2018)	Drug Abuse Arrests per 1,000 residents	Fatal Drug Poisonings (2018)	Age-Adjusted Rate per 100,000
Clearfield	79,572	575	7.2	392	4.9	21	28.3
Blair	122,503	900	7.3	740	6.0	22	20.8
Cameron	4,501	31	6.9	31	6.9	0	ND
Cambria	131,449	687	5.2	427	3.2	37	27.8
Centre	162,601	799	4.9	674	4.1	7	ND
Clinton	38,696	221	5.7	151	3.9	2	ND
Elk	30,110	161	5.3	147	4.9	5	ND
Indiana	84,441	518	6.1	467	5.5	8	ND
Jefferson	43,614	149	3.4	149	3.4	3	ND
Mercer	109,424	564	5.2	536	4.9	16	15.1
Lebanon	141,793	716	5.0	670	4.7	4	ND
Lawrence	85,512	405	4.7	230	2.7	12	12.2
Average	86,185	477	5.5	385	4.5		
ND = Not Displayed when count < 10, data or population is not available, or population estimate <10. Rates based on small numbers are considered unreliable for analysis.							
NOTE: Pennsylvania Resident Deaths: Age-Adjusted Rates per 100,000							
These data were provided by the Pennsylvania Department of Health. The Department specifically disclaims responsibility for any analyses, interpretations or conclusions.							
https://www.phaim1.health.pa.gov/EDD/WebForms/DeathCntySt.aspx							
Accidental drug poisoning = X40-X44							
https://www.cdc.gov/drugoverdose/pdf/pdo_guide_to_icd-9-cm_and_icd-10_codes-a.pdf							

Analysis

A consolidation of the two departments would present some challenges related to integration, but because of strong similarities in key areas a merged department would likely be able to provide better service to the residents at similar costs of the two operating separately. Examples of likely departmental improvements include a more cohesive patrol pattern instead of the fractured one created by the disjointed boundaries, a workforce that is more familiar with each other and able to work more efficiently on routine calls or in crisis situations, the opportunity for specialization among the detective section, and a single records management system.

One of the critical questions is the appropriate size of the workforce. Because of the variability of communities, there is no single standard for the size of a police force by population or work force demand. Instead, communities must consider a variety of factors including demand for service, rates

of reported crime, patrol area, commercial activity, prevalence of illicit drugs, availability of back up, and collective bargaining agreements to decide what size police department to have. Based on the comparisons available, it appears that a combined police force may need to add three officers to match the per capita rate of peer departments. However, the per-capita analysis does not consider that a substantial portion of the population in Treasure Lake has private security that conducts routine patrols in the area. This argues against needing a larger police force.

Key Similarities

- Dispatched by Clearfield County 911 on same radio frequency
- Key equipment including firearms and records management system are compatible
- Existing mutual aid agreements and frequent back up to each other
- Training standards are similar, and they train together regularly
- Geography requires frequent interaction with each other

Potential Challenges

- Developing adequate physical space
- Overcoming pay disparity (DuBois compensation is about 10 percent to 15 percent higher)
- Harmonizing retirement benefits, including social security coverage for those positions not presently covered by contributions. A legal analysis will need to be done to determine the treatment of these positions post-consolidation.
- Identifying department leadership and rank structure
- Agreeing to the appropriate staffing level for the community

Public Works

The public works functions of the two communities have comparable services and responsibilities, but their scopes do vary because of the sizes of the communities and the expectations of the residents. In general, the public works departments are the largest functions both in personnel and responsibility.

DuBois

Under the overall public works umbrella, there is a union workforce of 23 employees. The department is led by a public works director, superintendent and assistant superintendent. There are also dozens of part-time employees that work the summer months in the parks. The department has five main functions: engineering, streets, parks, water and sewer. Water and sewer are further divided into plant and distribution.

Engineering

The public works director also serves as the city engineer. The role involves planning for many of the city projects or overseeing the work of outside engineering firms. In recent years, the city has been able to rehabilitate its water purification and pumping facility, make substantial upgrades to the city parks and complete several streetscape projects. The engineering role oversaw the work of outside firms and planned some of the more focused projects during that time. The structure of the

department requires that the engineer provide overall direction to the other functions of DPW including budgeting, planning and operations.

Streets

The streets function is responsible for the maintenance of about 42 miles of streets with associate signs, sidewalks, storm water system and lights. The operation is led by a working foreman that splits his time between the streets and water distribution functions. The streets function maintains the road network and makes small repairs but contracts out the larger paving project. There is a maintenance garage with two mechanics that are responsible for maintaining the entire municipal fleet of about 45 vehicles and about 10 other pieces of equipment. All the streets vehicles and equipment are kept at a centrally located facility that has space for commonly used materials as well such as road salt and gravel.

Parks

The city has an extensive park system and trails near the center of the city. The parks system includes an expansive pool complex, two reservable picnic pavilions, an amphitheater and several playgrounds. There are also three high quality baseball/softball fields that are used for a wide variety of tournaments and events. Many of the upgrades have been funded through grants and community contributions.

There are no full-time employees dedicated to the parks program. However, there are separate duties of a full-time employee proportioned approximately 50 percent towards parks and pools with the rest going toward streets. The remaining staff are all part-time and or seasonal employees. The public works director and superintendent oversee the operations.

Water

The city provides water to all its residents and sells water to several neighboring communities, which is then resold to their residents. The city provides some water directly to properties in Sandy Township, but this is limited in nature. There are four employees assigned to the water treatment plant on a full-time basis. There are five employees assigned to the water distribution network. The superintendent and assistant superintendent each have a share of their time allocated to this function.

The primary water source for the city is the Anderson Creek Reservoir located several miles outside of the city limits. The reservoir was first developed in 1903 and was expanded to its current 216 acres in 1936. The city also has several wells that are available as an alternative source of supply should they be needed. The water treatment plant was built in 1968 and is gravity fed from the reservoir. It underwent substantial upgrades in 2018 that improved the automation of the plant. The typical daily distribution of the water treatment plant is 2.4 million gallons per day (mgd). The city maintains 60 miles of water mains and about 4,600 water meters. There are two water tanks used by the city, both the Patterson and Highland tanks have a 2-million-gallon capacity. The city resells water to the townships of Sandy, Falls Creek and Union.

The water rates for both residents and sales to other communities are established by DuBois City Council subject to Pennsylvania Public Utility Commission review and approval. The revenue and expenses for the operation of water system are managed as an enterprise fund.

Sewer

The city provides sewer service to nearly all its residents and receives wastewater for treatment from several of its neighbors. There are five employees assigned to the wastewater treatment plant on a full-time basis. Also, there are two vector truck operators and an equipment operator that are assigned primarily to maintaining the collection system.

The sewage treatment plant is located just outside the city's border with Sandy Township. The plant was built in 1960 and is near the end of its life cycle. The city is well along the planning for its replacement. The new plant will be built on the same property as the current plant with similar capacity but will have updated technology. The current plant processes about 3.3 mgd of wastewater daily with a maximum capacity of 4.4 mgd. (The new facility is being designed for 5.4 mgd). The sewer system network includes 48 miles of conveyance mains.

Sandy Township

The township's public works department is smaller with a union workforce of 12 full-time employees. The department is led by a non-union director. There are three union employees that lead operations – a road foreman, assistant road foreman, and a sewer and water foreman. The department has four main functions: streets, parks, water and sewer. Engineering services are currently contracted out with the manager, public works director and zoning officer conducting day to day task.

Engineering

The engineer has been working with the township for over three decades. His responsibilities include designing the new sewer and water system extensions and tie- ins, reviewing subdivision plans, contracting out and overseeing bridge work, working with the roads crew on plans for paving and drainage, and assisting with relevant grant applications. This position provides some immediate supervision of water and sewer employees.

Roads

The road function is responsible for the maintenance of about 100 centerline miles of town roads. Nine of the employees are assigned to the road function plus a full-time vehicle mechanic. This number includes the foreman and assistant foreman. The department will handle patching jobs on the roads, but contracts out larger paving tasks. They are responsible for maintaining 13 bridges in the township. In the winter, the employees adjust their shifts to work 4 a.m. to noon and noon to 8 p.m. to provide coverage for plowing and ice management. The department operates five plow routes to clear and treat the roads. In a typical season, they use 1,000 tons of salt and mix it half and half with anti-skid material. They occasionally cross over into neighboring communities on the plow routes because of irregular borders.

The DPW vehicles are kept at the municipal complex in two separate buildings, one of which has the mechanic space. The DPW also has an auxiliary facility where salt and other substrates are stored.

Parks

There is a single town park that was constructed in 1994. It has three pavilions, two playgrounds, two volleyball courts, two horseshoe pits, a basketball court, a baseball field and two bench-style swings. There is also a football field and several soccer fields that are in the park but managed by private organizations. There is a single part-time parks employee that works seasonally to maintain the parks and oversee the operations.

Water and Sewer

The water and sewer functions are performed by three full-time union employees. The township provides services only to a relatively small portion of the residents and businesses. (Residents of the Treasure Lake development receive these services through a private company, Aqua America.)

Sandy Township maintains about 25 miles of sewer lines. There are five sewage pumping stations and a small sewage treatment plant serving the area around Exit 97 off Interstate 80. Most of the sewage is sent to DuBois for processing. In the last decade, Sandy Township has replaced about 90 percent of the main sewer lines. The township maintains about 22 miles of water mains, a storage tank and a pumping station for the water that it purchased from DuBois.

Analysis

The two communities perform similar and complementary functions for their residents in the realm of public works. While the city provides water and sewer services to all of its residents, township residents have a variety of service providers. Some receive the services directly from the city, some have services provided by the township and all the residents in Treasure Lake have services provided by Aqua America. In a municipal reorganization, the city and township services are essentially the same, although at different cost points, and residents would receive identical services at the same user rates after a consolidation. There would likely not be any changes in staffing or equipment.

The residents of the two municipalities would receive the same level of service from the streets function after a reorganization. There would not be a change in the miles of streets, sidewalks or paths that need to be maintained. The two municipalities report having the right type and amount of equipment, although capital investment would need to continue. Similarly, there is no overlap in the park area in the inventory. Perhaps through a bigger department, some of the deferred maintenance could be addressed more quickly.

When looking at the two DPWs as a whole, there are duplicate job titles and functions, but the increased workload from the larger community leads to an initial assumption that titles and job responsibilities might need to be changed, but there would not be a reduction in staffing.

DuBois Redevelopment Authority

The DuBois Redevelopment Authority (DRA) is not fully a part of the Public Works Department or city government, but it is staffed part-time by the assistant superintendent of public works. The redevelopment authority is guided by a board of five community members that are appointed for five-year terms. The authority has a goal of supporting business development in the city through a revolving small business loan fund (up to \$50,000) and helping turn properties over to new viable tenants. The DRA is substantially funded through Community Development Block Grants (CDBG). The DRA owns and operates a 36,000 square foot business incubator on the edge of the downtown business district. The DRA is also used as an entity to receive grants to assist with the mission of supporting redevelopment activities in the City.

Analysis

The township does not have a similar entity, and its commercial real estate is substantially newer. However, there is a reasonable argument to be made that the DRA could have its mission expanded into the township with minimal additional effort.

One substantial concern would be the impact a consolidation would have on CDBG funds. As noted in this report, the CDBG appropriation for a consolidated municipality would likely be limited to the amount that DuBois receives now from the state as a third-class city. All third-class cities receive the same appropriation amount regardless of size or any other factor. For a full discussion on CDBG consolidation implications, please see Chapter 5.

Comparing the Size of Government

Identifying the proper size of government operations involves the consideration of a number of factors including the tasks assigned, the available tools or software, the service expectation and the willingness of the community to pay for the service. There is no simple formula to determine the “right” number of employees for a community. However, to provide context, it is possible to compare the size of government operations using publicly available data from the Census of Governments conducted by the US Census Bureau. We have compared the number of government employees for a potential combined Sandy-Dubois government with other communities of similar size in the nearby counties as well as from two large neighboring townships.

Currently, DuBois is the highest FTE per 1000 at 8.0 and Sandy one of the lowest at 3.8. This is likely a function of the types of services provided by the city such as water and sewer that are done in all the peers. A hypothetically combined municipality would fall right in the middle at 5.5, compared to an average of 5.8.

Table 3-10

Employee Numbers in Comparable Municipalities

County	Place	Full-time Employees	Part-time Employees	Total Employees	FTE Employees*	Total FTE per 1,000 residents
Clearfield	Sandy	31	1	31.5	31.5	3.8
Clearfield	DuBois	56	7	63	59.5	8.0
Clearfield	Sandy-DuBois Combined	93	13	106	99.5	5.5
Westmoreland	Greensburg	74	37	111	92.5	6.5
Mercer	Hermitage	97	1	98	97.5	6.2
Cambria	Johnstown	112	9	121	116.5	5.9
Lebanon	Lebanon	131	43	174	152.5	5.9
Allegheny	McKeesport	116	23	139	127.5	6.6
Lawrence	New Castle	113	31	144	128.5	5.9
Elk	St. Mary's	48	18	66	57.0	4.6
Clearfield	Clearfield Borough	18	19	37	27.5	4.7
Clearfield	Lawrence Township	19	13	32	25.5	3.4
Source: U.S. Census Bureau, 2017 Census of Governments						
Notes: * assumes a part-time is 0.5 FTE						

Data was also available to compare the size of the workforce in several broad categories¹⁸ of positions tracked by the Census. The existing workforces have a bigger variation in total size that might be expected as Sandy Township has the larger population, but the smaller size of government in each department.

This is partially driven by the presence of Treasure Lake providing public works services and partially by the variation in types of services provided in a township compared to a city. However, a combined municipality would have a workforce that is on par with many of its peers using the existing categories on a per capita basis.

¹⁸ Definitions available on this page - <https://www2.census.gov/govs/class/classfull.pdf>

Table 3-11*Workforce Comparison*

Place	Total FTEs	Financial Administration	Other Government Administration	Police Sworn and Civilian	Parks and Recreation	Public Works	All other and unallocated
Sandy	40	1	13	10.5	0	15.5	0
DuBois	59.5	6	11.5	15	1	22	3
Sandy-DuBois	99.5	7	24.5	25.5	1	37.5	3
Greensburg	92.5	3	7.5	37.5	21	15	8.5
Hermitage	97.5	9	9	34.5	1	36	2
Johnstown	116.5	5	4.5	41	0	21	0
Lebanon	152.5	1	9	53.5	3	57	0
McKeesport	127.5	5.5	5	56	10	13	5
New Castle	128.5	8	10	46	6.5	20.5	3
St. Mary's	57	8	8	13	2	21	5
Clearfield Borough	27.5	6	1	10.5	0	9	0
Lawrence Township	25.5	1.5	2	11.5	0	10	0.5

The following table looks at the relative size of the job classifications based on the population. Sandy Township falls below the average per capita, DuBois is above, and the combined municipality would fall close to the average in each of the separate job classifications and for the average.

Table 3-12*Job Classification Comparison*

Place	Total	Financial Administration	Other Government Administration	Police - Sworn and Civilian	Parks and Recreation	Public Works	All others and unallocated
Sandy	3.8	0.1	1.2	1.0	0.0	1.8	0.0
DuBois	8.0	0.8	1.5	2.0	0.1	4.6	0.4
Sandy-DuBois Combined	5.5	0.4	1.4	1.4	0.1	2.8	0.2
Greensburg	6.5	0.2	0.5	2.6	1.5	2.5	0.6
Hermitage	6.2	0.6	0.6	2.2	0.1	3.9	0.1
Johnstown	5.9	0.3	0.2	2.1	0.0	2.4	0.0
Lebanon	5.9	0.0	0.3	2.1	0.1	7.6	0.0
McKeesport	6.6	0.3	0.3	2.9	0.5	1.3	0.3
New Castle	5.9	0.4	0.5	2.1	0.3	2.0	0.1
St. Mary's	4.6	0.6	0.6	1.0	0.2	2.8	0.4
Clearfield Borough	4.7	1.0	0.2	1.8	0.0	2.4	0.0
Lawrence Township	3.4	0.2	0.3	1.5	0.0	1.1	0.1
Average	5.6	0.4	0.6	1.9	0.2	2.9	0.2

Chapter 4 Employee Benefits, Health Care and Pension

Introduction

Both DuBois and Sandy Township provide benefits to employees that are typically provided to municipal workers including defined benefit and defined contribution pensions, health insurance, prescription, dental and vision care coverage and survivor life insurance. The pension plans follow the law governing each municipal class, the Third-Class City Code and Act 600 for the township.

Health care is provided under the various collective bargaining agreements and to non-represented employees. The plans provide similar benefits with different cost levels for coverage. Expense savings appear possible with a consolidation; however, there is a requirement under collective bargaining for comparable coverage in the event of a change in insurance plans.

The pension plans have similar actuarial profiles and levels of distress as determined by Act 205. Unlike DuBois, Sandy Township provides a defined contribution plan for its non-uniformed employees with an employer match of employee contributions. Merging of the pension plans will be difficult due to the differing statutory requirements. Consolidation provides a means to eventually unify pension plans depending on the form of government chosen.

Health Care

Health care insurance including dental and vision coverage was reviewed in the city of DuBois and Sandy Township from a cost perspective to determine potential savings without considering coverage differences. Sandy Township has the lower cost plan. Assuming current rates of personnel and coverage, placing all employees on the Sandy Township plan would result in a monthly savings of \$30,953 or \$371,433 annually (See Table 4-1). Conversely, putting all staff on the DuBois plan would result in a monthly increase of \$20,639 or \$247,670 annually (See Table 4-2).

Health care for represented employees is a bargainable item. A switch for union employees would mostly likely require some type of negotiations, although the key is to make sure that the lower cost plan is comparable coverage.

Table 4-1

Health care insurance at the lowest rates

If DuBois employees were consolidated at lowest 2020 rates without considering coverage differences			Monthly Decrease	Yearly Decrease
Family	27	\$ (759)	\$ (20,494)	\$ (245,932)
Couple/Employee/Spouse	10	\$ (571)	\$ (5,707)	\$ (68,479)
Parent and Children	3	\$ (659)	\$ (1,976)	\$ (23,713)
Single/Retirees	12	\$ (231)	\$ (2,776)	\$ (33,309)
Total		\$ (2,220)	\$ (30,953)	\$ (371,433)

Table 4-2*Health care insurance at the highest rates*

If Sandy employees consolidated at highest 2020 rates without considering coverage differences			Monthly Increase	Yearly Increase
Family	19	\$759	\$14,422	\$173,063
Couple/Employee/Spouse	5	\$571	\$2,853	\$34,240
Parent and Children	3	\$659	\$1,976	\$23,713
Single	6	\$231	\$1,388	\$16,654
Total		\$2,220	\$20,639	\$247,670

Current Employee Health Care Comparison

The current employee health care coverage is similar for both municipalities. The largest differences are in the treatment of deductible limits, availability of an annual health fund and some co-pay amounts for services. Sandy Township offers employees a choice of two coverage plans that provide different levels of service. Most township employees chose the MBS PPO 10-Rx Option 1 as their preferred coverage plan. In addition to medical care insurance, both municipalities provide plans for vision and dental insurance coverage. Employee contributions for health care are outlined in the respective bargaining agreements:

Sandy Police		DuBois Police	
Premium co-pay	24% of the increase over the 2007 base rates	Premium co-pay	20% of the increase over the 2004 base rates
		Deductible Co-pay	Officers pay final \$500 of deductible expense.
Opt-out	50% of annual coverage fee payable in 4 installments per year	Opt-out	Not offered under CBA
Retiree health Care	Township to pay \$230/month toward retiree coverage. Officers hired after 2/20/2018 are not eligible for post-retirement benefit.	Retiree health Care	Single coverage paid until age 65. Provision for cash payment in lieu of coverage. No retiree health care for hires after 1/1/2019.
Sandy Non-uniformed		DuBois Non-uniformed	
Premium co-pay	25% of the increase over the 2017 base rates	Premium co-pay	20% of the increase over the 2007 base rates
Opt-out	The lessor of \$7,500 or 50% of annual coverage fee payable in 4 installments per year	Opt-out	\$100 per month
Retiree health Care	Retiree pays one-third of the coverage fee	Deductible Co-pay	Employees pay final \$500 of deductible expense.

Table 4-5

Comparison of Selected Items of Current Employee Health Care Insurance

	City of DuBois	Township of Sandy
Description	PPO AHF HRA with RX	MBS PPO 10-Rx Option 1
General Provisions	In Network	In Network
Deductible		
Individual per Calendar Year	\$5,000	None
Family per Calendar Year	\$5,000	None
Maximum out-of-pocket limit per Calendar Year.		
Individual per Calendar Year	\$6,350	\$3,425
Family per Calendar Year	\$12,700	\$6,850
Annual Health Fund amount		
Individual per Calendar Year	\$4,500	
Family per Calendar Year	\$4,500	
Preventive care and wellness		
Routine physical exams per visit	100%	100%
Office/Clinic/Urgent Care Visits	100% after \$10 copayment	100% after \$10 copayment
Preventive Care	\$10 then the plan pays 100% per visit thereafter	100%
Hospital and Medical/ Surgical Expenses (including maternity)		
Hospital Outpatient per admission	100%	100%
Hospital Inpatient per admission	100%	100%
Emergency Services		
Emergency Room Services	\$25 then the plan pays 100% per visit	100% after \$35 copayment (deductible does not apply)
Therapy and Rehabilitation Services	Covered according to the type of benefit and the place where the	100% after \$10 copayment

	City of DuBois	Township of Sandy
Description	PPO AHF HRA with RX	MBS PPO 10-Rx Option 1
	service is received.	
Mental Health/Substance Abuse		
In patient	100%	100%
Outpatient	\$10 then the plan pays 100% per visit thereafter	100% after \$10 copayment
Other Selected Services		
Allergy Extracts and Injections	100%	100%
Assisted Fertilization Procedures	Covered according to the type of benefit and the place where the service is received.	Not Covered
Diagnostic Services	100%	100%
Basic Diagnostic Services (standard imaging, diagnostic medical, lab/pathology, allergy testing)	\$10 then the plan pays 100% per visit thereafter	100%
Durable Medical Equipment, Orthotics and Prosthetics	100%	100%
Home Health Care (deductible does not apply)	100%	100%
Hospice	100% per admission	100% (deductible does not apply)
Private Duty Nursing	100% per visit	100% (deductible does not apply)
Skilled Nursing Facility Care	100% per admission	100%
Prescription Drugs	Co-pay dependent upon supply ordered and drug specified.	Co-pay dependent upon supply ordered and drug specified.

Pensions

It is PEL's assumption that the existing pension plans (defined benefit and defined contribution) will continue to provide promised benefits to currently covered employees. A unified plan for current and new employees post-consolidation is possible; however depending on the new municipal government form, if there are incompatibilities between the township's Act 600 pension requirements and the Third-Class City Code pension requirements, a new pension program may be

needed to provide a unified plan. No employee will lose any vested pension rights under a consolidation, regardless of the current municipal employer.

One option for the consolidated municipality would be to continue the two separate legacy plans and prohibit participation in those legacy plans to new hires. A new pension plan sponsored by the consolidated municipality would be the plan for new hires under a new defined benefit or defined contribution plan.

Any contemplated changes will need to be discussed with the current plan administrator or actuary to determine funding alternatives and compatibility among plans. The separate minimum municipal obligations of the legacy plans would continue to be an obligation of the consolidated municipality. State aid for pensions will also continue and distribution to the legacy funds can be determined by the funds' actuary.

Treatment of Pensions

There are different types of employee pensions provided by the city and the township. Both DuBois and Sandy Township provide defined benefit pension plans under the applicable state laws, which promises a specified monthly benefit at retirement based on average final salary and years of employment. Sandy Township also provides a separate defined contribution plan for certain employees.

A defined contribution plan does not promise a specific amount of benefits at retirement, but the employee and the employer contribute to the employee's individual account under the plan. By its nature, a defined benefit plan creates a long-term liability and requires annual contributions from the municipality to amortize the unfunded liability over a specified time period. A defined contribution plan does not create a legacy obligation. When the employee retires the employer's responsibility for contributions ceases.

Both DuBois and Sandy Township receive state aid for pensions based on a unit dollar value and the number of employees.

Conversion of Pensions

It is anticipated that an actuarial analysis of the separate, defined benefit pensions offered by DuBois and Sandy Township would recommend the continuation of the current plans while prohibiting new employees from enrolling in these legacy plans. Due to statutory requirements that mandate offering a defined benefit pension to certain employees, a new defined benefit plan for those new employees will likely need to be established post consolidation. The unfunded liability of the newly created plan would be based on the enrollees and the date of the plan startup.

It has been suggested by township officials that the Sandy Township defined contribution plan may be converted to a defined benefit plan that draws upon the current retirement holdings of employees and the continued contribution from the employer. Such a transition would provide a certain level of benefits based on the amount of current assets held under the defined contribution plan and the predicted level of annual minimum municipal obligation. The consultants have not performed a direct analysis of the potential for conversion of the current Sandy defined contribution plan as such an analysis requires specialized knowledge and information. It should be noted that the trend in

municipal pensions is away from defined benefit towards defined contributions and mirrors the similar conversion that occurred in the private sector.

In order to properly analyze plan conversion from defined contribution to defined benefit, the current plan actuaries or advisors should be able to advise the consolidated municipality as to the feasibility and desirability of moving the defined contribution plan to a new defined benefit plan. There is also a state agency that may review a conversion plan (Pennsylvania Municipal Retirement System, <http://www.pmr.state.pa.us/>) as well as administer a new defined benefit plan.

When considering the conversion impact on employees and employers, the following points should be given a priority:

The conversion from a defined contribution should ensure that employee's contributions are held harmless in the conversion. Any conversion fees should be the responsibility of the municipality.

The cost to the municipality going forward should be of no increase or minor increase compared to the current level of employer contribution to the defined contribution plan. It should be understood that going forward, there may be an increase in the annual municipal obligation depending on level of benefits and census of the new plan.

Benefits to be paid from the resultant defined benefit plan should be calculated to result in a breakeven situation for both employer and employees; that is, no party should be financially worse for the conversion.

Current Actuarial Valuations of Pension Plans

City of DuBois Police Pension

Both the city and township police pension plans were the subject of a biennial actuarial valuation report prepared by the plan's actuary, Mockenhaupt Benefits Group, dated January 1, 2019. The following summary was developed primarily using information provided under the actuarial valuation reports.

Summary of Plan Benefits:

Number of Participants

DuBois: Twelve active, nine retired, two survivor beneficiaries and two DROP.

Sandy: Eleven active, four retired, one survivor beneficiary; no DROP available before 1/1/2021.

Normal Retirement

DuBois: Eligibility: Age 50 and completion of 20 Years of Service. Benefit: 50% of Final Monthly Average Salary plus Service Increment, if any.

Sandy: Eligibility: Age 52 and completion of 25 Years of Service. Benefit: 50% of Final Monthly Average Salary plus Service Increment, if any.

Disability Retirement

DuBois:

Eligibility: Total and permanent disablement that occurs in the line of duty.

Benefit: Normal Retirement Benefit is payable.

Sandy:

Eligibility: Total and permanent disablement that occurs in the line of duty and which qualifies for social security disability benefits.

Benefit: 50% of the participant's final monthly average salary, but no less than 50% of the member's salary at time the disability was incurred, offset by social security disability benefits for the same injury.

Cost-of-Living Adjustment

DuBois: Each January 1, if the CPI increases by at least 1%, a retiree will receive an increase in the monthly benefit equal to 6.6667%, subject to the following limitations: total of all increases may not exceed 40% of the retiree's original benefit, cumulative percentage increase since retirement cannot exceed the percentage change in CPI from the year in which the participant last worked, the total monthly benefit may not exceed 75% of participant's Final Monthly Average Salary, and no COLA may be granted that would result in a benefit in excess of 50% of the highest officer's salary.

Sandy Township: On each anniversary of retirement, retirees receiving a normal retirement benefit are eligible for an increase equal to the percentage change in the CPI-W. Total increases may not exceed 30% of the retiree's original benefit nor may the benefit with increases exceed 75% of Final Monthly Average Salary.

Deferred Retirement Option Plan (DROP)

DuBois: Eligibility - Attainment of Normal Retirement eligibility.

Participation - Participant selects effective date of DROP participation and date of DROP termination which may be no more than 4 years later.

Benefit - Monthly Normal Retirement benefit calculated at initial DROP participation date is credited to a DROP account composed of investment vehicles with a fixed rate of return. Interest at the actual rate earned by the DROP account shall also be credited, but no less than 0% and no more than 4.5% per year. At DROP termination, the participant receives the lump sum value of the DROP account and begins receiving a monthly pension benefit.

Sandy: No DROP in place prior to January 1, 2021.

Assumed Rate of Return for Assets, MMO, Inflation Assumption; Mortality

The city's police pension plan has an assumed rate of return on investments of 6.75 percent. The township's plan assumes a return of 7.0 percent per year.

Assumptions for both plans include the salary projection for future salary increases at 4.75 percent per year; an assumed rate of inflation of 2.75 percent for cost of living projections; and the use of the same mortality tables.

Comparison of DuBois and Sandy Police Pension Plans		
As of Valuation Date 1/1/2019		
	DuBois	Sandy
Participants		
Active	12	11
Retired	9	4
Disabled	0	0
Survivor	2	1
Deferred	2	0
Total	25	16
Active Participant Averages		
Hire Age	30.1	31.0
Attained Age	41.1	41.7
Assumed Future Service	11.0	16.0
Monthly Compensation	\$6,583	\$6,299
Total Employee Contributions	\$241,083	\$421,758
Assumed Interest Rate (Actuarial Assumption of Plan)	6.75%	7.00%
Actuarial Accrued Liability	\$9,748,847	\$3,739,452
Actuarial Value of Assets	\$8,868,759	\$3,144,574
Unfunded Actuarial Accrued Liability	\$880,088	\$594,878
Funded Ratio	91.0%	84.1%
Minimum Municipal Obligation 2019	\$342,752	\$173,402

Comparison of DuBois and Sandy Police Pension Plans			
As of Valuation Date 1/1/2019			
State Pension Aid Applied 2019	\$122,892		\$102,377
Net Local Contribution for Police Plan 2019	\$219,860		\$71,025
Normal Cost (Cost percentage times total payroll)	\$282,896		\$184,661
Salary Projection (Actuarial Assumption of Plan)	4.75% per year.		4.75% per year
Inflation (Actuarial Assumption of Plan)	2.75% per year.		2.75% per year
Mortality	RP-2014 Mortality Table		RP-2014 Mortality Table

Comparison of DuBois and Sandy Police Pension Plans			
As of Valuation Date 1/1/2019			
	DuBois		Sandy
Employee Contributions	3.0% of Compensation plus \$5 per month (\$5 per month stops at age 65)		5.0% of Compensation.
Normal Retirement			
<i>Eligibility</i>	Age 50 and 20 Years of Service.		Age 52 and 25 Years of Service.
<i>Benefit</i>	50% of Final Monthly Average Salary plus Service Increment, if any.		50% of Final Monthly Average Salary plus Service Increment, if any.
DROP			
Disability Retirement			
<i>Eligibility</i>	Total and permanent disablement that occurs in the line of duty.		Total and permanent disablement that occurs in the line of duty and which qualifies for social security disability benefits.
<i>Benefit</i>	Normal Retirement Benefit is payable. For those hired on or after January 1, 2004, the benefit will be offset by worker's compensation.		50% of the participant's Final Monthly Average Salary at disablement/retirement, but no less than 50% of the Member's Salary at Time the Disability Was Incurred, offset by social security disability benefits for the same injury.

Comparison of DuBois and Sandy Police Pension Plans		
As of Valuation Date 1/1/2019		
	DuBois	Sandy
Cost-of-Living Adjustment	If CPI increases by at least 1%, a retiree will receive an increase in the monthly benefit equal to 6.667% subject to limitations: a) may not exceed 40% of retiree's original benefit, b) cumulative percentage increase since retirement cannot exceed the percentage change in CPI from the year in which the participant last worked, c) the total monthly benefit may not exceed 75 % of Participant's Final Monthly Average Salary, and d) no COLA may be granted that would result in a benefit in excess of 50% of the highest patrolman's salary.	On each anniversary of retirement, retirees receiving a normal retirement benefit are eligible for an increase equal to the percentage change in the CPI-W. Total increases may not exceed 30% of the retiree's original benefit nor may the benefit with increases exceed 75% of Final Monthly Average Salary.
Deferred Retirement Option Plan (DROP)		
<i>Participation</i>	Participant selects effective date of DROP participation and date of DROP termination which may be no more than 4 years later.	Participant selects effective date of DROP participation and date of DROP termination which may be no more than 5 years later.
<i>Benefit</i>	Monthly Normal Retirement benefit calculated at initial DROP participation date is credited to a DROP account composed of investment vehicles with a fixed rate of return.	Monthly Normal Retirement benefit calculated at initial DROP participation date is credited to a DROP account within the Police Pension fund.
	Interest at the actual rate earned by the DROP account shall also be credited, but no less than 0% and no more than 4.5% per year. At DROP termination, the participant receives the lump sum value of the DROP account and begins receiving a monthly pension benefit.	The Township will guarantee the annual return at no less than 0% and no more than 4.5% per year. At DROP termination, the participant receives the lump sum value of the DROP account and begins receiving a monthly pension benefit.

City of DuBois Non-Uniformed Pension

Number of Participants

DuBois: Forty active participants, two terminated but vested, 27 retired, six survivor beneficiaries. Total of 75 participants as of January 1, 2019.

Non-Uniformed Pension Minimum Municipal Obligation

The city's non-uniform pension plan had a total 2019 MMO of \$436,868. The city allocated \$189,458 of state aid for pension funding and \$247,410 of General Fund revenue to pay the MMO when due.

Normal Retirement

Eligibility: Hired before 1/1/2013: Age 60 and completion of 12 Years of Service. Hired on or after 1/1/2013: Age 60 and completion of 20 Years of Service

Benefit: If hired prior to 1/1/2013, monthly pension of 2.5% of the average compensation over the participant's highest 5 consecutive years of employment for each year of service to a maximum of 90%. If hired on or after 1/1/2013, the monthly pension shall be 50% of the participant's annual salary received during the last or any 5 years of employment, whichever is higher.

Disability Retirement

Service-Related -If hired before 1/1/2013, the monthly disability benefit shall be equal to 50% of salary at the time the disability was incurred, reduced by any available Workers' Compensation benefits. If hired on or after 1/1/2013, after 10 years of service but before attaining age 60 shall be entitled to a monthly disability benefit equal to the normal retirement benefit.

Non-Service-Related – If hired before 1/1/2013, upon attainment of 10 years of credited service, a monthly disability benefit is provided to a participant who is certified to be unable to engage in any gainful employment equal to 30% of the participant's salary at the time the disability was incurred. If hired on or after 1/1/2013, the monthly disability benefit shall be determined the same as the Service-Related Disability Benefit.

Cost-of-Living Adjustment

Not offered in reviewed plan.

Deferred Retirement Option Plan (DROP)

No DROP in reviewed plan.

Assumed Rate of Return for Assets, Inflation Assumption; Mortality

The city's non-uniformed pension plan has an assumed rate of return on investments of 8.0 percent.

Assumptions for the non-uniformed plan include the salary projection for future salary increases at 5.0 percent per year; and the use of the RP-2000 mortality tables.

Sandy Township Non-Uniformed Pension

The township offers a defined contribution form of pension plan for its non-uniformed employees. The plan requires a six percent employee/employer match of covered payroll. The township does not provide a non-uniformed defined benefit pension plan.

The township reported that its 2019 defined contribution plan covered 19 non-uniformed employees with an MMO of \$97,303. The township allocated \$97,303 from its state aid for pension allocation for this cost. The remaining state aid for pension balance of \$10,217 was applied by the township to its 2019 police pension plan MMO in addition to the \$92,160 provided by the police

unit aid for that plan. For the 2020 plan year, the township's estimated obligation was \$74,400 on an estimated covered payroll of \$1,240,000 with an administrative expense of \$13,800 for a total expense of \$88,200. The defined contribution plan reported accumulated employee contributions at more than \$777,000 at the end of 2019.

Due to the nature of a defined contribution plan, there is no direct comparison with the township or city defined benefit plans. Discussions with municipal officials indicate an interest in converting the defined contribution plan into a defined benefit plan upon consolidation.

Consolidation Implications

Difference in Controlling Law

The city's police pension plan is governed under the state constitution and by the Third-Class City Code. As an Optional Plan community, the city has broad local control over its pension plan design. The township's police pension plan follows the requirements of Municipal Police Pension Law known as Act 600, which governs pension plans of three or more members in boroughs and townships.

The main difference between the plan is the required age for retirement and years of service. The city provides for a minimum age at 50 years and a service requirement of 20 years; the township requires 25 years of service at attainment of age 52.

Plan Funding

Police Pension Funds:

The city's police pension funding level as determined by the ratio between the plan's assets and promised benefit liabilities is 91 percent or an Act 205 distress level of 0 meaning no distress. The plan's assumption for future investment returns on assets is at 6.75 percent.

The township's funding level as determined by the ratio between the plan's assets and promised benefit liabilities is lower at 84.1 percent or an Act 205 distress level of 1 meaning minimal distress. The plan's assumption for future investment returns on assets is also higher than the city's at 7.0 percent.

The minimal level of distress of the township plan should only be of concern if the January 1, 2021 valuation report indicates further deterioration of the funding ratio. Accordingly, the same concern should be noted if the funding ration of the city's plan falls below 90 percent after the January 1, 2021 valuation.

Currently both plans funding rations are indicative of adequately funding of the plans promised liabilities.

The assumed rate of return for the city's plan is lower than the township's rate but are in the acceptable range for prudent pension management. Municipal pension plan advisors and actuaries have recently advised return assumptions at 7 percent and below. As an example, many municipal plans have assumed rates of 8 percent, an assumption that has caused increases in the local

Minimum Municipal Obligation when the fund's performance fails to match or exceed the assumption. Assumed rates of 7 percent and below will tend to offset failure to attain investment growth or mitigate the pursuing riskier investments to attain a higher investment goal.

DuBois Non-Uniformed Pension Funds

In 2019 the city had a total Minimum Municipal Obligation for the non-uniformed pension plan of \$436,868. The city applied a portion (\$189,458) of its total 2019 state aid for pensions (\$312,350) to the MMO. The city contributed \$247,410 of General Fund revenues to complete the 2019 MMO. The city annually determines the portion of the state aid for pensions that it will allocate towards the separate MMO for each of its pension funds.

The city's non-uniformed pension funding level as determined by the ratio between the plan's assets and promised benefit liabilities is 67.6 percent or an Act 205 distress level of 2 meaning moderate distress. The plan's assumption for future investment returns on assets is at 8.0 percent.

The moderate level of distress of the non-uniform pension plan should be of concern currently and if the January 1, 2021 valuation report indicates further deterioration of the funding ratio. For comparison, the January 1, 2017 unfunded ratio was 78.0% which is a distress level of 1 or minimal distress.

The assumed rate of return for the city's non-uniform plan is higher than the city's police pension rate and is considered on the higher side of investment assumptions. As indicated prior, municipal pension plan advisors and actuaries have recently advised return assumptions at 7 percent and below. However, lowering the plan's assumed rate of return can result in larger than expected increases in the annual MMO payment. Consideration of reducing the assumed rate of return should be done with the plan's actuary.

Plans after Consolidation

It is PEL's assumption that the existing pension plans would be continued to provide promised benefits to currently covered employees under the appropriate "legacy" plans for each. If the consolidated municipality is governed by a home rule charter, there will be flexibility in providing a unified plan that may cover existing or new employees. Under a home rule charter, an existing plan may be utilized to cover current employees under that plan and new employees. Meanwhile, any current plans may be "frozen" with no new participants but continue to cover those currently employed until their retirement.

No employee will lose any vested pension rights under a consolidation, regardless of the current municipal employer.

This pension question will need to be discussed with the plan administrator or actuary to determine funding alternatives and compatibility among plans. The separate minimum municipal obligations of the legacy plans would continue to be an obligation of the consolidated municipality. State aid for pensions will also continue and distribution to the legacy funds can be determined by the funds' actuary.

Chapter 5

Implications of Consolidation

Introduction

Combining the city of DuBois and Sandy Township would likely provide short-term net savings for most residents and businesses on property tax and utility payments while also improving the financial health of the region in the long-term. On the downside, the consolidated community would lose grant money and need to pay costs associated with combining the two municipalities.

Consolidation requires the examination of numerous factors, many of which center on personnel as the largest expenditure in a municipality. The assumption is that the new municipality would be able to lower its personnel costs to an extent by reducing overlap and duplication, eliminating higher paid positions potentially through buyouts and seeking benefit savings by switching to the lower cost health insurance plan. The area of personnel would also require combining different collective bargaining agreements and pension systems.

In addition to personnel, consolidation will have a profound impact on some areas of concern, such as a probable reduction in Community Development Block Grant funds, and little to no impact on other areas, like hunting and maintenance by the state of certain portions of the stormwater management system.

Analysis of Impacts

The immediate potential impact is lower net property tax payments and utility fees for most residents. A consolidation is projected to net utility and property tax savings of up to \$462 annually for most Sandy Township residents and \$61 annually for DuBois residents, although one small group of Sandy Township residents would likely see a net increase of almost \$100 annually. These projections are based on certain assumptions provided by the city and township including the elimination of duplicate positions that results in a surplus of \$558,127 for a combined municipality.

Treasure Lake residents in Sandy Township receive their water and sewer services from Aqua America and so would see no difference in their utility rates. However, they would see a reduction in their property tax rates based on the assumptions that were used.

Improved long term regional financial health is another main benefit of consolidation for all municipal constituents in the city of DuBois and Sandy Township. Fiscally healthy municipalities are able to provide for the health, safety and welfare of their citizens; pay principal and interest on their debt obligations when due; meet financial obligations to their employees, vendors and suppliers; and provide for proper financial accounting procedures, budgeting and taxing practices.

Both municipalities are exhibiting signs of fiscal challenges. DuBois and Sandy Township each experienced deficits three out of five years in the historical review period. Projections show both municipalities will experience deficits in the next five years.

Sandy Township's deficits are likely because tax revenue is anticipated to remain flat at current rates while expenditures are projected to increase significantly due to contractual raises and rising health care costs. As previously noted, the township can only raise general purpose millage by 1 mill to pay

for these costs, with 1 mill yielding \$120,580 in real estate tax under the current assessment value and collection rate. Any general purpose millage increases after 14 mills would require court approval. There are certain unlimited special purpose millages, but revenue from the special purpose tax must be used for that purpose. For example, there is no special purpose millage that could be used to pay for police officers. The alternative to raising revenue when the township hits its millage cap could be service reductions.

Impact of Demographics and State Tax Code

The two communities are already irrevocably linked – Sandy Township literally surrounds the city of DuBois so that difficulties -- and strengths -- in one community already have an impact on the other.

The configuration is somewhat common in Pennsylvania, with a land-locked urban center of 3.2 square miles surrounded by a much larger township (52 square miles) that has room to attract new housing, business parks and shopping centers to expand the tax base. Since the 1970s, the population in Sandy Township has more than doubled, while the population of DuBois has declined, typical of migration patterns across the state.

The city had the larger population in 1970 at 10,112 residents; that situation has since reversed, with the city losing over 2,300 residents by 2010. Population loss ultimately translates to less tax revenue, particularly in terms of earned income taxes. While tax-paying residents have declined, DuBois still has the same number of roads to fix and streets to plow, as well as needing a certain level of public safety services required in a more densely populated area.

DuBois is also hampered by a tax base where the wealth measurements of its population are below both the state and Sandy Township. Despite that, the city has strong assets in terms of its water and sewer operations and access to timber.

Sandy Township is also showing signs of struggle. Like many western Pennsylvania municipalities, its population, while larger and denser than in the past, is now decreasing. As noted previously, it is only one mill away from its second-class township code limit of 14-mills general purpose property tax cap. In contrast, allowable millage for third-class cities is more than double that at 30 mills. The township has already broken out various services for special purpose millage to remain below its 14-mill cap.

Townships in Pennsylvania have a lower property tax rate cap under the assumption that residents receive less services given the lower population density. But migration into townships like Sandy Township means denser populations and the resulting need for a higher service level.

As a second-class township, Sandy Township has less future ability to pay for these services because it has almost maximized its general purpose property tax rate, one of the only tax rates that it has the ability to raise. Any increase to that rate after 14 mills requires annual court approval.

While Sandy Township has median housing values that are above both the state and DuBois, it has less ability to tap into that residential property tax base than DuBois due to the lower property millage cap.

Sandy Township, like most second-class townships, collects a larger percentage of its total tax revenue from earned income taxes. Sandy Township's wealth measurements are all higher than the state and DuBois, including median and per capita income, so it can generate more from the earned income tax than the city.

However, despite receiving a large percentage of revenue from earned income taxes and having higher wealth measurements than its neighbors, the township clearly has challenges since it has had to raise its total property tax millage to 18 mills by using special purpose millage. The township is also unable to tap further into the earned income tax, its most productive tax, because it is at the state earned income tax rate limit.

Financial Distress and Services

Revenue generation is necessary to pay for services. Absent appropriate revenue levels, residents and businesses in either community could see reductions in services translated to roads that are poorly maintained, a lack of code and zoning enforcement to manage blight and other infractions, slower police response times and more.

As seen in the successful Princeton, N.J. consolidation described in Chapter 6, the new community still had tax increases to pay for service level costs that grow over time, but the amount of increase was lower compared to other municipalities because of the combined tax base.

Township Utility Payments and Tax Rates

Currently, the city sells water to both the township and to township residents at a higher rate compared to city rates. Ending this current complex regulated public utility rate structure between the two municipalities would reduce utility rates resulting in consumer savings as noted above and hence be a pro for those township users. Consolidation would also eliminate the necessary but cumbersome and costly process for adjusting utility rates for Sandy Township customers through the state Public Utility Commission. As referenced in Chapter 2 of this report, the total township households which would have a reduction in utility costs totals more than 1,700 households. It is estimated that 709 township households that are currently billed by DuBois directly for water could see an increase of approximately \$100 per year in water service costs. However, those same households will see a property tax reduction based on the estimated millage rate of a consolidated municipality. Treasure Lake residents in Sandy Township receive their water and sewer services from Aqua America and so would see no difference in their utility rates. However, they would see a reduction in their property tax rates based on the assumptions that were used.

Lower City Taxes as a Boost to Economic and Community Development

Current city property owners most likely would see a property tax decrease, which is obviously a benefit and could be used to help market the new municipality to businesses, residents and developers interested in a more urban environment, particularly when it comes to downtown. Many cities are seeing a renaissance in downtown apartment living from empty nesters and younger adults who are attracted to the walkability, lack of yard work and similar perks. Lower property taxes on downtown buildings could spark interest in local developers, particularly if combined with other incentives.

In fact, the new municipality would be at an advantage in terms of economic and community development in that it would have different environments (urban, suburban, rural), pricing levels and housing stock variety and age to satisfy different needs and desires of potential residents and businesses. There also might be additional capacity in a larger, combined municipality to focus more resources on community and economic development in terms of a dedicated position and more clout for grants that can come with a larger municipality.

Maintaining Community Character

One concern expressed by municipal residents of both communities is that their interests remain represented and that the character of their neighborhoods be maintained. One way to accomplish this is to structure the new government partially through a ward system so that areas have specific elected representatives that understand their interests. This would be determined by the independent committee to study government structure of a consolidated municipality.

In Princeton, where borough residents were concerned about downtown and township residents were concerned about maintaining rural character, advisory planning districts were created to provide residents a formal mechanism to be heard on proposals in their neighborhoods¹⁹. A combined municipality could create something similar. The new municipality also could maintain current zoning designations.

Savings and Services

Other community concerns centered on savings and services. The goal of all sustainable communities is to provide the services required to meet the health, safety and welfare needs of the community at the lowest cost. This report identifies areas where a combined municipality could save money, from the elimination of duplicate positions (estimated \$558,127 savings) to potential movement to the township's lower cost health insurance (estimated \$371,000 savings). Other potential savings are dependent on decisions made by the new municipality.

These savings would help to maintain or improve, as oppose to reduce, the current service level. Meanwhile, employees in the new municipality would benefit from larger departments that have increased opportunities for advancement and specialization.

Home Rule Benefits

Consolidating under home rule, as recommended by this report, gives the communities the ability to form a government structure that truly reflects community needs and the way a modern municipality functions. The community will be able to decide the size of the governing body, how the municipality runs day to day, the number and type of elected officials and more.

Tax structure could also be determined based on local needs as opposed to state municipal code mandates. For example, a slightly higher earned income tax only available under home rule would grow more naturally as people's wages increase, potentially lessening or eliminating the need for property tax increases.

¹⁹ Borough of Princeton and Township of Princeton Joint Consolidation/Shared Services Study Commission, July 2011

Different constituency groups could also be considered in the tax mix. Retired individuals on fixed income, for instance, would not pay a higher earned income tax but could benefit from a property tax decrease. Businesses also would benefit since they do not pay earned income tax. Right now, increases on property taxes are the only way to obtain a higher amount of tax revenue since all other taxes are at their maximum levels under state codes.

Negatives to Consolidation

In terms of cons, the major issues are the loss of Sandy Township's annual CDBG appropriation and costs the two municipalities could incur through the consolidation process. There is little in the way of dedicated state grant funds to pay for these costs. The most prudent course for the municipalities is to reach out to their state representatives about potential funding and possible "hold harmless" legislation concerning CDBG funding. Impact on municipal employees through reductions in overlap and duplication could be kept to a minimum using attrition and buyouts.

Personnel

Position Overlap and Duplication

The assumption with any consolidation is that there will be some reduction in personnel and, therefore, personnel expenditures. For example, a consolidated municipality would likely need only one manager and one police chief. The number of elected officials could be reduced depending on the form of government chosen for the combined municipality.

Table 5-1 gives an overview of identified overlapping and duplicate positions, along with potential elimination of duplications through creation of a new position in a combined municipality. Current personnel and compensation records from the municipalities were used wherever possible. Otherwise, 2020 budgeted figures are used.

The responsibilities for financial management and tax collection in the two municipalities, which includes a finance officer, elected treasurer and deputy treasurer in DuBois and a treasurer and elected tax collector in Sandy Township, could be streamlined.

Public works has two top directors each for two equivalent positions – public works director and engineer in Sandy Township and public works director/engineer and public works superintendent in DuBois. Professional services that are duplicate include appointed solicitors and auditors. Sandy Township now pays a contract for IT service but the new municipality could use the existing IT director in DuBois, eliminating the contracted expense. It is also presumed that the new municipality will pay only one set of elected officials.

Table 5-1²⁰*Overlapping and Duplicate positions in Dubois and Sandy Township*

	DuBois		Sandy		
	Wages	Benefits	Wages	Benefits	New Position
Elected Officials	\$7,200	—	\$16,250	—	\$15,000
Finance and Administration					
Manager	\$108,000	Single	\$92,700	Family	\$140,000
Finance Officer	\$68,599	Family	—		\$85,000
Treasurer	\$24,000 (elected)	Single	\$60,471	Single	\$65,000
Deputy Treasurer	\$36,667	Couple	—		\$50,000
IT Director	\$45,000	Single	—		\$60,000
Elected Tax Collector	—	—	\$40,000	—	—
Police					
Police Chief	\$68,175	—	\$92,700	Family	\$105,000
Public Works					
Engineer	—		\$84,040	Single	\$120,000
Public Works Director	—		\$68,959	Family	\$75,000
Public Works Director/Engineer	\$102,250	Family	—		—
Public Works Superintendent	\$101,167	Family	—		\$90,000
Professional Services					
Solicitor	\$68,000	—	\$65,000	—	\$75,000
Auditing and Accounting	\$38,000	—	\$10,000	—	\$40,000
IT Contractor	—		\$500/month		—

Buyouts

Both municipal managers have employment contracts with their respective municipalities that will have to be honored should their employment change as the result of a combined municipality. Additionally, any other employment contracts would need to be honored. It is also common, although not required, to offer departure incentives to employees without separate employment contracts in municipalities that undertake staff reductions due to realignment of duties or reductions in services. Determining whether positions exist that should be offered a buyout or how much that buyout should cost is outside the scope of this project and could be considered under the Joint Committee phase.

²⁰ Salaries and the general structure for the new positions in a consolidated municipality were provided by the managers of the city and township.

Various options are utilized across the commonwealth so that long tenured employees are not subject to economic hardship as a result of staff realignments. The consolidated municipality may offer voluntary or involuntary severance packages that may include payouts based on length of service, executive responsibilities, representation or non-representation by a collective bargaining unit and other distinguishing classes of employees.

Two recent examples of a voluntary severance program were reviewed by the consultants as potential models for a consolidated municipality. A central Pennsylvania city recently realigned its management of a major parking operation and an eastern Pennsylvania regional wastewater authority likewise offered voluntary severance incentives.

The city offered a mix of payments and benefit extensions aimed at those that would lose their jobs or take another position if offered. Benefits were varied depending on the ultimate disposition of the employment position.

The city's offer included:

1. Severance of three hours per month of service, minimum \$2,000,
2. 12 months of 90% of medical premiums,
3. Sick time accrual at 100%,
4. Vacation accrual total value,
5. Sick accrual at 50% if more than 10 years of service up to max 120 accumulated days,
6. Plus 52 weeks of Supplemental Unemployment Compensation Benefits up to 100% of base weekly wages (subject to maximum State Unemployment Benefit Fund payout of 50% of weekly wages).

The authority's package was aimed at reducing redundant positions due to service expansion and to allow for management openings for younger employees by reducing senior positions but retaining the operational responsibilities.

That offer included two options:

Option 1

1. An amount equal to \$500 times the number of completed years of continuous service,
2. An amount equal to 25% of the employee's prior full year base salary,
3. A separate lump sum amount equal to \$15,000 which may be used by the employee to help defray future medical insurance coverage costs (but not required for that purpose),

Option 2

1. An amount equal to \$500 times the number of completed years of continuous service,
2. An amount equal to 25% of the employee's prior full year base salary,
3. Single medical insurance coverage for employees under the age of 65 for a maximum of three years from the separation date. At age 65 the employee receives \$300 per month for any remaining time up to the three-year limit from date of separation. The \$300 stipend may be used for other purposes.

Regarding funding for the potential voluntary separation both DuBois and Sandy have fund balances that could be used to finance any employee plans. The consolidated municipality will have these fund balances as part of the necessary asset transfer. The use of a portion of a “legacy” fund balance for the employee separation program would be more appropriate than using current tax and fee revenue.

Collective Bargaining

Both police and the public works employees in each municipality operate under collective bargaining agreements. Appendix II and Appendix III of this report provide the municipalities with a comparison of the contract terms in DuBois and Sandy Township. The joining of the various contracts will require collective bargaining of a new contract and will involve costs for labor counsel to negotiate a new or revised agreement.

The simplest arrangement would be to work temporarily under separate contracts and negotiate a new contract with the successor collective bargaining unit as soon as practical. The new contracts may include or exclude items from the old contracts.

Pay Disparities in the New Municipality

As noted above, police and public works employees are subject to existing collective bargaining agreements that determine their salaries and benefits. Any changes in the wage or benefit level, then, is subject to collective bargaining. It should not be presumed by the new municipality that it will be required to pay the highest salary amount in the two existing municipalities for union positions covered by two separate collective bargaining agreements. Overall, there should be no expectation on the part of union or non-union employees in DuBois or Sandy Township that there will be any leveling of pay afforded by the new government prior to the negotiation of new collective bargaining agreements upon the expiration of the current agreements.

Building Options

The new municipality could use DuBois City Hall, but the current Sandy Township municipal building is inadequate for municipal offices. It is recommended that the new municipality seek a facilities and space study from an appropriate professional to determine how best to move forward since city hall will probably not accommodate everyone in its current configuration.

In the meantime, much of the operations from both municipalities likely could fit into DuBois City Hall with overflow potentially housed temporarily in rented storefront space. Please see Chapter 3 for a complete discussion of buildings and facilities in the two municipalities.

Grant Implications

Potential for transition grants

The state Department of Community and Economic Development’s Municipal Assistance Program provides a 50 percent match for shared service activities: consolidating or regionalizing services among multiple counties and municipalities, boundary change studies, and shared personnel. New or expanded intergovernmental initiatives that promote local government efficiencies and effectiveness.

However, it is our understanding that this program is not well funded. The municipalities should seek assistance in obtaining grants from this or other state sources from their state legislators, potentially as special appropriation.

CDBG Entitlement Funding

Currently, the city of DuBois and Sandy Township are eligible for direct state Community Development Block Grant funds under the provisions of PA Act 179 of 1984 (see Appendix IV). In 2020, the city of DuBois received \$304,856 and Sandy Township received \$161,951. The new municipality would receive one appropriation based on its eligibility and municipal class, according to DCED, which administers the state CDBG program. All third-class cities receive the same appropriation amount regardless of population size, low to moderate population size or any other factor.

The municipalities should consider discussions with local state legislators on the potential for legislation allowing a hold harmless transition period of CDBG funding so that the loss of one of the CDBG sources is mitigated over time.

Based on the various requirements and formulas, the best option for optimizing the CDBG allocation would be as a city. The new municipality could still be considered a city for these purposes even if it organized under a home rule charter as opposed to under the state Third-Class City Code.

Sandy township's low to moderate percentage as reported by Department of Community and Economic Development (DCED) was at 34.48 percent. The township uses an income survey to determine funding eligibility for CDBG projects throughout the township.

DuBois's low to moderate percentage as reported by DCED was at 44.50 percent, also requiring an income survey for expanded CDBG use. The city last completed a CDBG income survey in August 2016 and the results of that survey may be used for CDBG funding purposes for five (5) years. The results of the survey indicated that of a total of 8,645 persons, 4,544 were considered low to moderate income individuals for a CDBG low to moderate income percentage of 52.56 percent. The city will need to update the survey for funding periods past 2021.

The city in the past has used CDBG funding to make capital purchases for the city volunteer fire departments. It is the understanding of the consultant that the consolidated municipality would continue to conform to the 51 percent low to moderate income requirement by using survey data.

Census tracts in the two municipalities are established by the U.S. Census Bureau mostly based on population. There is a federal process that allows tracts to be changed every 10 years, but the boundaries are designed to be relatively permanent²¹. It does not appear likely that census tract boundaries would be impacted by a consolidation.

Consolidation Impact on Grants

The impact would be based on the qualifying metrics of the resulting municipality (class, population, percentage in poverty, etc.). The other factor is that the new municipality would represent more

²¹ <https://www2.census.gov/geo/pdfs/education/CensusTracts.pdf>

constituents and so would conceivably have more clout. A larger municipality might also have additional capacity to devote to grant writing. More information about the demographics of the municipalities is available in Chapter 1.

Fire Departments

The city of DuBois has five volunteer fire companies while Sandy Township has four volunteer fire companies. Both municipalities contribute similar levels of assistance to the departments. This report assumes there will be no change in the level of support or funding to the departments from a new municipality. In addition, a separate DCED study is currently underway that is examining the DuBois and Sandy Township volunteer fire departments. A more complete discussion of the fire departments can be found in Chapter 3.

Issues of No Impact or Assumed by New Municipality

Stormwater System Management

Our understanding is the new municipality would maintain what was maintained municipally pre-consolidation and PennDOT would do the same for its pre-consolidation efforts. In other words, status quo post-consolidation. This must be confirmed with the PennDOT District Engineer, but it is unlikely that a firm commitment would be made by them at this early stage in the feasibility study. The determination of this dual responsibility will be a necessary step for the joint committee.

Existing Debt

The resultant municipality would assume the exiting liabilities from the predecessor municipalities. The contracts underlying the debt would not be changed but the debt would be assigned to the new municipality. The municipal debt instruments must be checked to see if there is a principal payment demand if the municipality ceases to exist.

Landownership and Timber Values

The new municipality would assume all assets and liabilities of the predecessor municipalities unless an asset or liability is specifically called out for liquidation in the Joint Agreement between the municipalities.

The city provided an extensive list of assets for review in the context of this report. The net insurable value of the city's assets totals in excess of \$45 million.

Hunting & Discharge of Firearms

Project staff spoke with Richard Macklem, the Pennsylvania Game Commission's law enforcement supervisor for the North Central Region, which covers Clearfield County. Macklem stated that a consolidation or new municipal status would not change hunting rights, as these are decided on the state level. He further stated that recent court decisions have affirmed that municipalities may not supersede state law on hunting by attempting to ban or restrict it beyond current state practices.

In any area where hunting is legal, including private property, it continues to be subject to the current, state-wide regulations on safety, hunting seasons and bag limits, and 150-yard safety zone restrictions around residences and occupied buildings.

Therefore, a consolidation between Sandy Township and the city of DuBois will create no changes in the ability to legally hunt per state regulations.

The city of DuBois repealed its firearms discharge ordinance in 2017, in part to answer concerns that a consolidation would restrict the ability to hunt.²² Sandy Township has a current ordinance (§6-101, §6-103) prohibiting firearms discharge by anyone other than law enforcement, except during licensed hunting or at an approved shooting range. Therefore, a consolidation would not change the status quo on firearms discharge for Sandy Township residents.

Other Boundaries

A consolidation between the city of DuBois and Sandy Township would have no impact on other boundaries such as those for school district, mail delivery or county services.

²² http://www.thecourierexpress.com/news/dubois-city-to-repeal-discharging-firearms-ban/article_3d215a3a-2120-51e1-b1ea-dd3f1b67fc0c.html

Chapter 6

Consolidation Process and Recommended Form of Government

Introduction

In order to consolidate, the city of DuBois and Sandy Township must follow the boundary change process outlined by commonwealth law. Usually this requires the two governments to form a joint committee that will make recommendations regarding how the consolidation would take place. The recommendations serve as the basis of the joint agreement to create the new municipality, which must be approved by both communities to be successful.

Form of government is one of the key considerations. Rather than adopt one of the existing municipal classes governed by a municipal code, such as the Third-Class City Code or Second-Class Township Code, it is recommended that DuBois and Sandy Township pursue home rule. Home rule would provide the communities with the greatest input on forming a local government that is most responsive to local needs. In addition, home rule would provide greater tax flexibility to support the robust services required by a more densely populated municipality.

Formation of Municipal Governments

The existence of municipal governments in Pennsylvania is authorized by the Pennsylvania Constitution and state law. All land within the commonwealth is incorporated by law as a municipality with its own government. There are three primary types or classifications of municipal governments: cities (of the first, second, or third class), boroughs and townships (of the first or second class).

Municipal governments in Pennsylvania are the principal providers of direct public services to citizens. Services often include, but are not limited to, police and fire protection; construction and maintenance of roadways and bridges; street lighting; parks and recreation facilities and programs; planning and zoning activities; enforcement of building and related codes; water treatment and distribution; sewage collection and treatment; storm water management; solid waste collection and disposal; and recycling collection.

While local governments in Pennsylvania are authorized to provide a full level of services regardless of their classification, there are important differences in the governing structures, officers and revenue generating capacity among the different municipal classes.

Consolidation Process

The movement toward municipal consolidation in DuBois and Sandy Township is in large part due to a perception by government and community leaders that it is in the best interests of the two municipalities to evaluate the potential benefits of a municipal consolidation today rather than wait until a financial crisis in one or both of the municipalities compels the need in the future.

In Pennsylvania, the process of combining two or more municipalities is overseen by the Municipal Consolidation or Merger Act (Title 53 of the Pennsylvania Consolidated Statutes, Sections 731-741). The process calls for the preparation of a joint agreement between the governing bodies of the city and township.

It is possible under the boundary change process for this agreement to be prepared simply between the governing bodies of the municipal partners without involvement of the citizens of the partners. However, public understanding and participation in the process will most likely lead to a successful consolidation effort. The appointment of a joint committee involving citizens of both Dubois and Sandy will allow the necessary public and stakeholder participation. It is recommended to form a joint committee made up of appointments from both communities.

The committee may include elected officials and administrators from the city and township, as well as representatives from various community stakeholders. The committee would be tasked with the development of a draft joint agreement and decision on the form of government for the proposed consolidated municipality. Options include selecting one of the classes governed by state municipal codes (third class city, borough, first class township, second class township) or organizing under a home rule charter. If home rule is the selected form of government, the joint committee would also draft a home rule charter.

Joint Agreement

A joint agreement provides a framework for two or more municipalities to combine and create a new municipality that results in the termination of the existence of each of the agreeing municipalities. The new municipality assumes jurisdiction over both municipalities that are terminated. Any joint agreement must include, but is not limited to, the following:

1. The names of the municipalities involved.
2. The name and territorial boundaries of the consolidated or merged municipality.
3. The type and class of the resulting municipality.
4. The way the resulting municipality will be governed, one of the following:
 - a. The municipal code appropriate to its designated class.
 - b. A home rule charter or optional plan already in place in one of the constituent municipalities.
 - c. A new home rule charter or optional plan approved by each municipal governing body.
5. The number and boundaries of districts if some or all members of the governing body are to be elected by district.
6. If an optional charter city is the surviving unit in a merger, whether the resulting unit will continue to use the optional charter.
7. Financial arrangements including the following.
 - a. Disposition of the assets of the existing municipalities.
 - b. Liquidation of existing indebtedness of constituent municipalities.
 - c. Assumption, assignment or disposition of existing liabilities.
 - d. Implementation of a legally consistent uniform tax system.
8. The elected officers required by the form of government.
9. A transition plan and schedule for elected officers.
10. Common administration and uniform enforcement of ordinances within the resulting municipality

The joint agreement must be approved by the governing bodies of each municipality and is then presented to the voters in each municipality for approval. If a joint agreement is approved by the governing bodies and voters in each municipality, the consolidated municipality will begin to

function on the date specified in the joint agreement. At that point, the former municipalities that were consolidated are abolished. The newly consolidated governing body begins to function after new officers are elected and take office. The process is outlined in Table 6-1 below.

Except for employees who are protected by tenure of office, civil service or collective bargaining agreements, all appointed offices and positions are subject to the terms of the consolidation agreement. The agreement also must provide for duplication of positions, varying length of employee contracts, different civil service regulations, differing ranks and position classifications.

A new ordinance book is used by the municipality after consolidation becomes effective. The first document recorded in the book is the consolidation agreement. Total codification of ordinances must be completed within two years. All rights of component municipalities are vested in the new consolidated municipality, including real estate titles, liens, rights of creditors, agreements, contracts, debts, liabilities and duties.

Table 6-1*Municipal Consolidation Process*

Recommended Action	Required Public Votes	Results
Two municipalities vote to prepare joint agreement to effectuate consolidation	Two	Proceed to form Joint Committee
Joint Committee meets and prepares agreement	None	Municipalities receive Joint Committee reports for action on joint ordinance creation
If Joint Committee selects a home rule charter form of government, the committee will serve as the government study commission and will prepare a home rule charter as part of the joint agreement.		
Municipalities vote to accept joint agreement and proceed to draft ordinance	Two	If two yes votes, proceed to authorize identical ordinances
Solicitors prepare identical ordinances of agreement	None	
Vote to accept and advertise ordinances	Two	If two yes votes, proceed to ordinance vote
Vote to approve ordinances	Two	If two yes votes, proceed to referendum
Referendum	Two	If two yes votes, proceed to consolidation

Considerations for Form of Government

Currently, the two municipalities operate under state municipal codes, which provide a rigid governmental framework depending on the municipal class. The municipal codes are a one-size-fits-all government with specific rules for elected officials, governing body, mayor, tax collector, controller, auditor, appointed officers and employees, finance, contracts, taxation and corporate powers.

Tables 5-4 through 5-14 at the end of this chapter outline the duties and powers for each municipal class. DuBois is now a third-class city under an optional plan form with a council-manager, while Sandy Township is a second-class township. A combined municipality stands to lose its state appropriated Community Development Block Grant unless it operates as a named city or operates as a municipality while retaining the name of Sandy Township because of legislation that governs how state CDBG funds are appropriated.

Another main consideration is the ability to provide and pay for key services. State municipal codes all cap the rate that municipalities can levy under each type of tax. Both DuBois and Sandy Township are now at their respective limit for Act 511 taxes like earned income. The only option that the municipalities have now to increase tax revenue is by raising property taxes. That probably would not change if the new municipality operated under the state's municipal codes, regardless of class, since the new municipality would likely also set Act 511 taxes at their maximum. In order to obtain tax flexibility in response to local service needs, the new municipality would have to organize under a home rule charter.

Home Rule Charter

A home rule charter is a written document defining the powers, structure, rights and duties of a municipal government. A charter provides the new community with its own “constitution,” shifting responsibility from rules and regulations set by the state legislature to those decided in large degree by the local citizens. In addition to tax flexibility, this shift in the context of consolidation gives residents greater ownership of the new municipality since it can be tailored to fit citizens’ needs.

Both DuBois and Sandy have constraints on taxing abilities that could result in future financial issues. The city, with a current levy of 20 mills for general purpose, is at two-thirds of its maximum rate of 30 mills. In addition, much of the city is already built out, providing limited room to expand the tax base.

At 13 mills for general purpose, the township is nearly at its 14-mill limit, necessitating the use of special purpose millages to remain under the general purpose tax rate limit. The second-class township code permits the township to levy up to an additional 5 mills over its tax limit with court approval. However, levying a general purpose mill rate above the permitted amount is significant for two reasons. First, it intrudes upon the governing body’s authority by mandating that the governing body receive approval from a second party — the Court of Common Pleas — before increasing its rate. Second, it indicates that the municipality is close to exhausting this source of revenue as a resource for general purpose revenue. The commonwealth views a municipality that is at its legal general purpose millage limit as a potential indicator of financial distress.

As indicated previously, the municipal codes under which both operate cap the rates of the two main sources of municipal tax revenue — property and earned income taxes (EIT). Like most municipalities, the city and the township already levy the maximum EIT tax rate.

Home rule removes caps on EIT, property and real estate transfer tax rates, allowing the municipality to design a tax structure that best meets the needs of the local population.

In this case, the resulting municipality would have the ability to balance property tax rates by adjusting the EIT and other tax rates. This type of tax shift has important consequences. Retirees with no wages who do not pay EIT would see overall tax relief as increases to property taxes are reduced. Real estate tax relief on commercial properties can spur needed economic development that would increase the local tax base. Wage-earning property owners may or may not realize savings through a shift but would be paying a smaller payroll EIT deduction amount over time as opposed to a larger lump sum property tax bill.

Public Service Level Review

DuBois and Sandy Township generally provide a robust amount of services when compared to their neighbors. Both municipalities have their own full-time police force. Countywide, only nine of 49 municipalities including DuBois and Sandy Township pay for their own police force or for regional police coverage.

Pennsylvania Economy League research clearly shows that local police are the costliest municipal service and that municipalities which offer the service are more likely to experience financial distress. However, more densely populated areas that serve as regional hubs generally require this higher level

of police service, particularly when state police that provide free coverage are already stretched thin. Municipalities that provide police coverage in Clearfield County are shown in Table 6-2.

Table 6-2
2020 Police Departments in Clearfield County

Municipality	Police Services	Full Time	Part Time
DuBois City	Own Police Force	13	0
Clearfield Borough	Own Police Force	7	4
Curwensville Borough	Own Police Force	3	0
Ramey Borough	Regional Police Service	0	0
Bigler Township	Own Police Force	1	0
Cooper Township	Regional Police Service	0	0
Lawrence Township	Own Police Force	10	3
Morris Township	Regional Police Service	0	0
Sandy Township	Own Police Force	12	1

Unlike police coverage, public works services, including streets and highways, are provided by every municipality in Clearfield County. Both DuBois and Sandy Township spend similar levels on public works — 20.6 percent of expenditures in DuBois and 21.9 percent of expenditures in Sandy Township. As a percentage of revenues, both committed nearly the same proportion at 21.0 and 21.6 percent, respectively.

The percentage spent on public works by municipalities that do not pay for local police is generally higher in part because they do not have that public safety expense. Table 6-3 shows public works as a percentage of revenues and expenditures in Clearfield County. Municipalities with local police are in bold.

Table 6-3

2018 public works spending as a percentage of revenues and expenditures in Clearfield County

Municipality Name	Public Works-Expenditures	As a Percentage of Revenues	As a Percentage of Expenditures
Dubois City	\$4,749,822	21.0%	20.6%
Brisbin Borough	\$23,782	28.4%	45.1%
Burnside Borough	\$26,726	10.0%	9.2%
Chester Hill Borough	\$110,301	19.2%	21.6%
Clearfield Borough	\$978,656	27.5%	25.7%
Coalport Borough	\$74,271	43.8%	48.6%
Curwensville Borough	\$318,264	33.2%	32.1%
Glen Hope Borough	\$37,162	74.4%	55.2%
Grampian Borough	\$81,671	69.6%	63.9%
Houtzdale Borough	\$132,705	44.3%	44.0%
Irvona Borough	\$98,562	55.6%	51.9%
Mahaffey Borough	\$48,016	52.6%	44.7%
New Washington Borough	\$12,664	43.8%	49.2%
Newburg Borough	\$10,114	44.4%	47.0%
Osceola Mills Borough	\$68,190	22.6%	28.7%
Ramey Borough	\$45,484	44.0%	49.0%
Troutville Borough	\$21,766	14.7%	14.0%
Wallacetown Borough	\$40,262	54.6%	48.7%
Westover Borough	\$17,498	7.3%	7.8%
Beccaria Township	\$277,047	68.7%	66.0%
Bell Township	\$180,408	42.4%	48.4%
Bigler Township	\$130,398	39.0%	41.9%
Bloom Township	\$22,571	17.2%	26.8%
Boggs Township	\$205,555	11.8%	47.2%
Bradford Township	\$617,377	66.7%	63.2%
Brady Township	\$360,526	17.5%	54.0%
Burnside Township	\$220,851	61.4%	66.0%
Chest Township	\$101,975	51.9%	54.2%
Cooper Township	\$389,519	44.0%	47.7%
Covington Township	\$113,038	49.8%	51.2%
Decatur Township	\$497,825	30.2%	33.5%
Ferguson Township	\$199,487	78.4%	70.1%
Girard Township	\$124,697	41.4%	47.1%
Goshen Township	\$331,386	106.9%	80.7%
Graham Township	\$352,016	84.9%	74.5%
Greenwood Township	\$589,124	81.4%	82.9%
Gulich Township	\$116,395	41.1%	44.7%
Huston Township	\$493,582	99.8%	72.5%
Jordan Township	\$74,938	35.7%	40.5%
Karthus Township	\$59,884	27.4%	37.0%
Knox Township	\$112,684	69.2%	66.8%
Lawrence Township	\$1,514,128	32.1%	35.4%
Morris Township	\$220,053	41.7%	39.6%
Penn Township	\$151,763	41.4%	43.4%
Pike Township	\$334,538	51.3%	46.2%
Pine Township	\$60,002	98.0%	81.6%
Sandy Township	\$1,950,767	21.6%	21.9%
Union Township	\$230,986	66.8%	70.7%
Woodward Township	\$277,999	50.7%	51.8%

Form of Government Recommendation

A larger, combined tax base should provide the new municipality with more capacity to handle the cost of the robust services necessary to serve the population. Home rule would give the new municipality more flexibility to tap into that tax base in a manner appropriate to local needs. In addition, home rule would permit the community to craft a local government structure that is most responsive to local needs.

Table 6-4
Elected Officials

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Elected Officials	Mayor (1) Council (7) Tax Collector (1) Board of Auditors (3) or Controller (1)	Board of Supervisors (3) Board of Auditors (3) Property Tax Collector (1) Individual may only hold one elective office No Mayor	Board of Commissioners (at least 5 up to 15) Board of Auditors (3) Property Tax Collector (1) Controller (1) No Mayor	Council Members (4) Mayor (1) Controller Treasurer
Eligibility	Registered elector of Borough; <u>and</u> Reside in Borough continuously for at least 1 year immediately prior to election	Registered elector and reside in township continuously for 1 year before election	Registered elector and reside in township continuously for 1 year before election If wards then continuously reside in ward 1 year before election	Council and Mayor; 18 years of age Reside in city continuously for 1 year Controller and Treasurer: 21 years of age Must be an accountant Reside in city continuously for 1 year
Terms	All 4 year terms Council staggered (4 members and 3 members at each municipal election) Must take oath of office Auditors (6 years) Controller (4 years)	Supervisors (6 years) Auditors (6 years) Property Tax Collector (4 years)	Commissioners (4 years) Auditors (6 years) Property Tax Collector (4 years) Controller (4 years)	All 4 year terms
Vacancies	30 days of vacancy Council 15 days vacancy board Court of common pleas	30 days of vacancy Board of Supervisors 15 days vacancy board Court of common pleas	30 days of vacancy Board of Supervisors 15 days vacancy board Court of common pleas	30 days of vacancy Council Court of common pleas
Removal	Impeachment By Governor for reasonable cause Upon conviction of infamous crime	Same as Borough	Same as Borough	Same as Borough

Table 6-5
Governing Body

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Name	Council	Board of Supervisors	Board of Commissioners	Council
Officers	Officers: President/Vice President Serve at pleasure of council	Chairman Vice-Chairman	President Vice-President	Mayor is President of Council Vice-President is designated director of accounts and finance
Constituency	At-large or ward	At-large	At-large or ward	At-large or ward
Quorum	Majority of members	Majority of members	Majority of members	Majority of members
Special Meeting	President of Council or 1/3 members of Council	Chairman or majority of board members	No provision in code	Called by mayor or 2 members of council
Annual Compensation	Based on population: Eligible for health care benefits	Based on population: Supervisor also employee, compensation determined by board of auditors Eligible for health care benefits	Based on population: Eligible for health care benefits	Based on population: Provision to provide per meeting compensation instead of annual compensation No healthcare benefits
Employee of Municipality	Cannot be employee of borough if population 3,000 or greater Cannot serve as manager, secretary or treasurer	Yes—roadmaster, laborer, secretary, treasurer Salary determined by board of auditors Eligible for pension	Prohibited from township employment Cannot serve as secretary, treasurer or auditor	Prohibited from city employment
Manager	Neither Mayor or Council may hold office of Borough Manager Created by Ordinance Powers and duties established in ordinance	May create by ordinance Appointed by board Powers and duties established in ordinance	May create by ordinance Appointed by board Powers and duties established in ordinance	May create by ordinance (city administrator) Appointed by council Powers and duties established in ordinance
		Second Class Townships	First Class Townships	Third Class Cities
Department Director	N/A	N/A	N/A	Each council member shall be designated director of 1 of the following departments: Accounts and finance, Public Affairs, Streets, Parks, Public safety (Mayor) Each director responsible for

				property of department Each director required to submit quarterly report to director of accounts and finance Director of accounts and finance responsible for presenting budget to Council
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Table 6-6

Mayor

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Title	Mayor	No executive	No executive	Mayor
Powers and Duties	<ul style="list-style-type: none"> •Can hold no other Borough office or appointment •Not a member of Council •Administer oaths •Approves or vetoes ordinances •Approves or vetoes tax resolution (if applicable) •Proclaim state of emergency •May cast deciding vote if tie vote in Council •Has full charge and control of chief of police and the police force •May appoint special police during an emergency •May temporarily suspend police officers for cause until next scheduled Council meeting 	N/A	N/A	Execute and enforce all city ordinances Voting member of council with same rights and duties of other council members No right of veto Signs ordinances Designates and supervises police chief Supervise city police Issue state of emergency Preserve public peace Appoints fire chief with consent of council Request reports from other city officials or department directors
Constituency	Elected at large	N/A	N/A	Elected at large
Salary	Based on population	N/A	N/A	Based on population: Marriage fee not > \$150 per ceremony
Vacancy	President of Council assumes Mayor's duties (President of Council may not vote as a council member)	N/A	N/A	Vice-President of council becomes acting mayor in absence or vacancy

Table 6-7

Tax Collector

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Powers and Duties	Collects borough property tax levies	Collects township property tax levies	Collects township property tax levies	Called Treasurer in cities of third class Collects city property tax levies Receives and deposits all monies city receives Pays out monies

Table 6-8

Controller

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Powers and Duties	Ordinance created Manage the fiscal affairs examine, audit and settle all accounts Supervise and control of the accounts of all departments, bureaus and officers of the borough Immediately, upon the discovery of any default, irregularity or delinquency, report the discovery to the council; audit and report upon the accounts of an officer upon the death, resignation, removal or expiration of the term of the officer.	Office not provided in code	Supervises and controls the accounts of all departments charged with receiving or disbursing monies Countersigns all warrants drawn upon township treasurer Prohibits appropriation of funds on overdrawn accounts	Supervises and controls the accounts of all departments charged with receiving or disbursing monies Countersigns all documents authorizing the payment of money from city treasury Office retained upon appointment of independent auditor

Table 6-9

Auditor

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Powers and Duties	<p>May be replaced by Controller</p> <p>Shall audit, adjust and settle the accounts of the tax collectors, the magisterial district judge and all officers of the borough.</p> <p>May audit, adjust and settle the accounts of any person, corporation, association, organization, committee or commission receiving or expending borough funds.</p> <p>Audit and report to the council, upon the accounts of every officer of the borough, upon the death, resignation, removal or expiration of the term of the officer.</p>	<p>Audits accounts of all elected and appointed township officials for preceding calendar year</p> <p>\$10 per hour</p> <p>\$1,000 max. if population 10,000 or less</p> <p>\$2,000 max. if population greater than 10,000</p> <p>Attorney appointed by court to represent board when there is a dispute</p> <p>May surcharge elected or appointed official for any loss to township</p> <p>Supervisors may appoint independent certified or competent public accountant</p>	<p>Audits accounts of all elected and appointed township officials for preceding calendar year</p> <p>May hold any other elected or appointed office</p> <p>\$20 per hour (min 5 hours per day)</p> <p>20 days if population < 3,000</p> <p>30 days if population 3,000 and <10,000</p> <p>40 days if population 10,000 or more</p> <p>Attorney appointed by court to represent board when there is a dispute</p> <p>May surcharge elected or appointed official for any loss to township</p> <p>Commissioners may appoint independent certified or competent public accountant</p>	<p>City required to appoint independent auditor</p>

Table 6-10

Appointed Officers and Employees

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Manager	Created by ordinance The powers and duties of the borough manager are regulated by ordinance.	May create by ordinance office of township manager Appointed by board Powers and duties established in ordinance	May create by ordinance office of township manager Appointed by board Powers and duties established in ordinance	May create by ordinance office of city administrator Appointed by council Powers and duties established in ordinance
Secretary	Council appointed Attends all meetings of the council and shall maintain full minutes of its proceedings Maintains record book of actions, resolutions and ordinances	Board shall appoint a secretary May be a member of board of supervisors Clerk of board of supervisors Records proceedings of meetings May also serve as township treasurer	Board shall appoint a secretary Cannot be a member of the board of commissioner Clerk of board of supervisors Records proceedings of meetings Keeps record of appropriations made by commissioners	No provision for secretary but council may appoint a city clerk and prescribe clerk's duties
Treasurer	Council appointed Receive all money due the borough and deposit the money promptly; keep distinct and accurate accounts of all sums received from taxes and other sources Pays out money only on direction by the council, secretary and also by the borough controller, if any. Annually submit the accounts to the elected auditors, independent auditor or controller for settlement.	Board shall appoint a treasurer Supervisor may be treasurer (auditor sets salary) Receives and deposits all monies township receives Pays out monies on order signed by Chairman or Vice-Chairman of board May also serve as township secretary	Board shall appoint a treasurer May be elected tax collector or township employee (not Commissioner) Receives and deposits all monies township receives Pays out monies on order signed by President or Vice-President of Board	Elected treasurer performs these functions (See Tax Collector above)
Solicitor	Appointed by Council Has control of legal matters. Shall be licensed to practice law in PA Council may appoint assistant solicitor	Appointed by board Shall be licensed to practice law in PA Control over legal matters of township	Appointed by board Shall be licensed to practice law in PA Control over legal matters of township	Appointed by council Shall be licensed to practice law in PA Council may appoint assistant solicitor or special legal counsel

	Borough	Second Class Townships	First Class Townships	Third Class Cities
Engineer	Appointed by council	Appointed by board Serves at board's pleasure Shall be registered professional engineer Supervises all engineering matters of the township	Appointed by board Two-year term Shall be registered civil engineer Supervises all engineering matters of the township	Appointed by council Serves at council's pleasure Shall be registered professional engineer Supervises all engineering matters of the city
Police	Created by council and determines compensation Mayor has full charge and control of the chief of police and the police force. Mayor may appoint special and auxiliary police Must establish pension fund if 3 or more FT officers Civil service applies if 3 or more members	Force created by resolution of board Officer may not be supervisor, auditor, tax collector or manager Department supervised by board Code does not require civil service coverage Must establish pension fund if 3 or more FT officers Code does not provide for civil service	Force created by resolution of board Officer may not be supervisor, auditor, tax collector or manager Department supervised by board Civil service applicable Must establish pension fund if 3 or more FT officers Civil service applies if 3 or more members	Council determines number, grade and compensation Chief appointed by Mayor Civil service applicable
Fire	Council may organize a fire department	Board may provide fire protection within township Board may levy special property taxes to fund Code does not provide for civil service	Board may provide fire protection within township Board may levy special property taxes to fund Civil service applies if 3 or more salaried firefighters	Council may organize a fire bureau Chief appointed by Mayor with consent of council Council may appoint a fire marshal to inspect buildings and investigate fires Civil service

Table 6-11

Corporate Powers

	Boroughs	Second Class Townships	First Class Townships	Third Class Cities
Powers	<p>Corporate powers shall be exercised by council</p> <p>Adopt resolutions and ordinances regulating affairs</p> <p>Provide fines and penalties for violations of ordinances</p> <p>May purchase, sell, lease, convey, etc. real and personal property</p> <p>Regulate business</p> <p>Provide insurance-WC, property, liability, etc.</p> <p>Provide for collection and removal of garbage and other refuse material</p> <p>Construct, repair and maintain roads</p> <p>Develop land use regulations</p> <p>Incur debt</p> <p>Prohibit nuisances</p> <p>Exercise eminent domain</p>	<p>Corporate powers shall be exercised by board</p> <p>Adopt resolutions and ordinances regulating affairs of township</p> <p>Provide fines and penalties for violations of ordinances</p> <p>Township may purchase, sell, lease, convey, etc. real and personal property</p> <p>Responsible for providing fire and emergency services in township</p> <p>Regulate business</p> <p>Provide insurance-WC, property, liability, etc.</p> <p>Provide for collection and removal of garbage and other refuse material</p> <p>Construct, repair and maintain township roads</p> <p>Develop land use regulations</p> <p>Incur debt</p> <p>Prohibit nuisances</p> <p>Exercise eminent domain</p> <p>Impose fees for stormwater management</p> <p>Operate or lease a landfill or incinerator within or outside township</p>	<p>Corporate powers shall be exercised by board</p> <p>Adopt resolutions and ordinances regulating affairs of township</p> <p>Provide fines and penalties for violations of ordinances</p> <p>Township may purchase, sell, lease, convey, etc. real and personal property</p> <p>Responsible for providing fire and emergency services in township</p> <p>Regulate business</p> <p>Provide insurance-WC, property, liability, etc.</p> <p>Provide for collection and removal of garbage and other refuse material</p> <p>Construct, repair and maintain township roads</p> <p>Develop land use regulations</p> <p>Incur debt</p> <p>Prohibit nuisances</p> <p>Exercise eminent domain</p> <p>Provide funds for urban common carrier mass transportation</p>	<p>Corporate powers shall be exercised by council</p> <p>Adopt resolutions and ordinances regulating affairs of city</p> <p>Provide fines and penalties for violations of ordinances</p> <p>City may purchase, sell, lease, convey, etc. real and personal property</p> <p>Responsible for providing fire and emergency services in city</p> <p>Regulate business</p> <p>Provide insurance-WC, property, liability, etc.</p> <p>Provide for collection and removal of garbage and other refuse material</p> <p>Construct, repair and maintain city roads</p> <p>Develop land use regulations</p> <p>Incur debt</p> <p>Prohibit nuisances</p> <p>Exercise eminent domain</p> <p>Provide funds for urban common carrier mass transportation</p> <p>Operate or lease a landfill or incinerator within or outside city</p>

Table 6-12

Taxation

	Boroughs	Second Class Townships	First Class Townships	Third Class Cities
Property Taxes	30 mills General Fund (up to additional 5 mills with court approval) Special purpose: Debt service No limit Shade trees (0.1 mill limit) Annuities (0.5 mill limit) Street light 8.0 mills limit) Gas, water, electric (8.0 mills limit) higher with referendum Fire equipment and fire service (3.0 mills limit) higher by referendum Fire buildings (2.0 mills limit) higher by referendum Establish and maintain library No limit EMS (0.5 mills limit) higher by referendum Maintain and operate recreation No limit Road tax (5.0 mills limit) for paving and permanent road improvements	14 mills General Fund (up to additional 5 mills with court approval) 5 mills street lighting 3 mills purchase and maintain fire apparatus (voter referendum for higher rate) 2 mills for fire hydrants 5 mills street, sidewalk improvements 2 mills road equipment .5 mill support ambulance (voter referendum for higher rate) No limit debt service No limit operate parks No limit library Up to 50% of General Fund tax for procuring land and/or erecting building Special taxes must be kept in separate fund and used only for purpose specified	30 mills General Fund (up to additional 5 mills with court approval) 3 mills purchase and maintain fire apparatus (voter referendum for higher rate) 2 mills fire and water districts 5 mills street, sidewalk improvements .5 mill support ambulance (voter referendum for higher rate capped at 2 mills) No limit debt service No limit operate parks No limit library No limit for procuring land or erecting building .5 mill for pensions .1 mill for tree care 1 mill for nonprofit art corporation Special taxes must be kept in separate fund and used only for purpose specified	30 mills General Fund (up to additional 5 mills with court approval) 5 mills street lighting No limit debt service No limit operate parks No limit library .1 mill for tree care 1 mill for nonprofit art corporation \$5 residence tax Special taxes must be kept in separate fund and used only for purpose specified
Act 511 Taxes	1.0 % earned income (.5% shared with levying school district) 1% local realty transfer (shared) 10% amusement \$10 per capita (shared) \$52 local services tax (shared- \$5 school district)	1.0 % earned income (.5% shared with levying school district) 1% local realty transfer (shared) 10% amusement \$10 per capita (shared) \$52 local services tax (shared- \$5 school district)	1.0 % earned income (.5% shared with levying school district) 1% local realty transfer (shared) 10% amusement \$10 per capita (shared) \$52 local services tax (shared- \$5 school district)	1.0 % earned income (.5% shared with levying school district) 1% local realty transfer (shared) 10% amusement \$10 per capita (shared) \$52 local services tax (shared-\$5 school district)

	Boroughs	Second Class Townships	First Class Townships	Third Class Cities
Act 205 Tax	Municipality may levy earned income tax or property tax greater than above limits to fund municipal pension plans	Municipality may levy earned income tax or property tax greater than above limits fund municipal pension plans	Municipality may levy earned income tax or property tax greater than above limits fund municipal pension plans	Municipality may levy earned income tax or property tax greater than above limits fund municipal pension plans

Table 6-13

Finance

	Boroughs	Second Class Townships	First Class Townships	Third Class Cities
Fiscal Year	January 1 st commences	January 1 st commences	January 1 st commences	January 1 st commences
Annual Budget	Prepared by council or manager if authorized Required Projected expenses cannot exceed projected revenues	Prepared by Board Required Projected expenses cannot exceed projected revenues	Prepared by Board Required Projected expenses cannot exceed projected revenues	Prepared by director of accounts and finances Required Projected expenses cannot exceed projected revenues
Public Inspection	Advertise at least once Proposed budget must be available for 10 days before adoption	Advertise at least once Proposed budget must be available for 20 days before adoption	Advertise at least once Proposed budget must be available for 20 days before adoption	Advertise at least once Proposed budget must be available for 20 days before adoption
Adoption	No later than December 31st	No later than December 31st	No later than December 31st	No later than December 31st
Amended Budget	Adopted budget may be amended in January following municipal election May amend adopted tax ordinances Amended budget must be adopted no later than February 15th	Adopted budget may be amended in January following municipal election May amend adopted tax ordinances Amended budget must be adopted no later than February 15th	Adopted budget may be amended in January following municipal election May amend adopted tax ordinances Amended budget must be adopted no later than February 15th	Adopted budget may be amended in January following municipal election May amend adopted tax ordinances Amended budget must be adopted no later than February 15th
Investment of Funds	As Council may adopt consistent with statutorily authorized investments	As Board may adopt consistent with statutorily authorized investments	As Board may adopt consistent with statutorily authorized investments	As Council may adopt consistent with statutorily authorized investments

Table 6-14*Contracts*

	Boroughs	Second Class Townships	First Class Townships	Third Class Cities
Power	Council may make contracts for lawful purposes Contacts and purchases made from lowest responsible bidder Electronic submission of bids is allowed	Board may make contracts for lawful purposes Contacts and purchases made from lowest responsible bidder Electronic submission of bids not allowed	Board may make contracts for lawful purposes Contacts and purchases made from lowest responsible bidder Electronic submission of bids not allowed	Council may make contracts for lawful purposes Contacts and purchases made from lowest responsible bidder Electronic submission of bids not allowed
Bidding Thresholds	Less than \$11,100: no formal bidding or written/telephonic quotations \$11,100 - \$20,600: 3 written/telephonic quotations Greater than \$20,600: formal bidding Base amounts adjusted annually by PA Labor and Industry	Same as Borough	Same as Borough	Same as Borough
Advertising of Bids in Excess of \$20,600	At least twice	At least twice	At least twice	At least twice
Awarding of Contracts	Public announcement at public meeting	Public announcement at public meeting	Public announcement at public meeting	Public announcement at public meeting
Exemptions to Advertising, Bidding, Price Quotations	Maintenance, repairs or replacements for water, electricity or public works if not new additions or enlargement of facilities or equipment Borough improvements, repairs or maintenance made by Borough employees Patented, manufactured or copyrighted products Purchases from other public entities Insurance policies, utility services Professional services	Same as Borough	Same as Borough	Same as Borough

Chapter 7

Municipal Consolidation Comparisons

Introduction

The current report represents the fourth attempt that the city of DuBois and Sandy Township have made to merge or consolidation since the 1980s. Prior attempts largely failed because of rejection by township residents and because of concerns about volunteer fire companies that are now the subject of a separate consolidation study. Conditions appear more favorable now because of perceived increased township support and mostly removing the firefighter issue from municipal consolidation. Still, the municipalities face considerable – although not impossible – obstacles.

A review of municipal mergers and consolidations both in Pennsylvania and nationally indicate that it is rare for a host of reasons that are outlined below. But despite the prior unsuccessful attempts by DuBois and Sandy Township, the literature indicates that each attempt provides groundwork that can ultimately result in a successful consolidation. Another important indicator of success is the extent to which the municipalities already operate as one community, from the amount of shared services to the degree of common identity.

The municipalities can look to Princeton, N.J. for a road map, as well as factors that have been identified by the Pennsylvania Economy League (PEL) as contributing to success. The municipalities can also seek to avoid what has been identified below as pitfalls in the process.

Terms

Consolidation is a combination of two or more municipalities that results in the termination of each of the municipalities and the creation of a new municipality. The new municipality assumes jurisdiction over all the municipalities that have been terminated.

Merger is the combination of two or more municipalities resulting in the termination of all but one of the municipalities. The surviving municipality assumes jurisdiction over the municipalities that have been terminated.

Background

Boundary change in Pennsylvania is notable for its difficulty. Starting in the 1960s, the commonwealth's larger cities and boroughs argued for modern annexation laws that would allow them to more easily provide urban services to populations that were expanding beyond their borders into the new suburban areas. The rural townships, faced with losing area and tax base, resisted the attempts to "reattach" these populations to the urban areas they had left.²³

In 1994, the General Assembly passed the Municipal Consolidation or Merger Act, which attempted to alleviate township concerns with a strict process. The essential feature in the legislation is that mergers and consolidations require a positive majority vote by both the governing bodies and

²³ Municipal Merger/Consolidation and Sharing of Services, the Pennsylvania Economy League, April 2009

municipal residents. In contrast, laws governing school district merger and consolidation require only an affirmative vote by the impacted school boards.²⁴

The impetus for consolidation or merger is often financial; one of the municipalities is usually experiencing significant fiscal issues or is not providing significant services to its residents. The assumption is that a merger or consolidation will result in the creation of efficiencies in the delivery of services based upon economies of scale.

Roadblocks to Process

The state's municipal boundary change process allows many opportunities for opponents to prevent a municipal merger or consolidation from happening. The joint ordinance effecting a merger or consolidation must be voted on and approved by the respective councils, commissioners or supervisors at least 13 weeks before the election in order to be placed on the ballot. Defeat of the proposed ordinance by one municipality ends the process.²⁵

Most proposed mergers and consolidations in Pennsylvania have failed for reasons outlined below. There has not been a successful merger or consolidation involving a Pennsylvania third class city under the act. Many of the successful combinations involved a small borough merging into a surrounding township. As a result, there are few direct comparisons in Pennsylvania for a proposed consolidation of the city of DuBois and Sandy Township.

Pennsylvania is not alone in its lack of municipal mergers and consolidations. Municipal consolidations are rare nationally, even in other states with large numbers of municipalities like Illinois and despite advocacy at various levels of state government. Reasons for the failure to consolidate municipalities in other states are like those seen in the commonwealth²⁶.

Boundary Change Considerations

Key challenges to the consolidation process identified by PEL research²⁷:

- Lack of substantial financial support from the Department of Community and Economic Development (DCED) or any other state agency.
- Need to pay for costs associated with the boundary change.
- Perceived loss of identity.
- Opposition by elected officials, the business community and/or other key constituencies.
- Tax considerations, including the need to increase taxes and/or fees.
- Combining separate pension plans and separate collective bargaining agreements.

Other factors that contribute to or impede a successful consolidation based on PEL research:

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ History, Politics and Pride: Why Small Cities, Counties Rarely Merge, Stateline Article, Pew Trust, March 10, 2016

²⁷ Municipal Merger/Consolidation and Sharing of Services, the Pennsylvania Economy League, April 2009

Contribute to Success

- Advocacy for the consolidation by local elected and civic leadership.
- Support of those most directly affected by a change, such as police officers, firefighters, municipal employees or tax collectors.
- Preservation of services assured to both municipal populations.
- Shared sense of community; discussions centering around the future and healthy change.
- An understanding that no single municipality will experience a negative financial or infrastructure impact.
- Patience with a process that is often difficult, tedious and sometimes painful.
- Transparency is key – do not ignore the public’s desire and need for information, and do not assume that the facts speak for themselves or assume that the general public has much understanding of local government.

Impediments

- Emotional responses can derail the effort, including fear of the unknown, responses to rumors or sympathy for locals that will be directly impacted by the consolidation through a job loss or change in status if merger occurs.
- Some may see the current situation as good and would rather support the need to keep what is good and familiar.
- Citizens tend to talk about the past, preserving memories of past leadership, schools, churches, businesses and other nongovernmental elements that they emotionally attach to their communities. These connections also form an identity with the existing local government structures.
- The community may resent so-called outsiders telling them what to do, especially consultants.
- Lack of understanding of local government by residents.

Case Studies**Princeton Borough and Princeton Township, New Jersey****2013 Consolidation**

The 2013 combination of Princeton borough (pop. 12,000) and Princeton township (pop. 16,000) in New Jersey is one of the few successful municipal consolidations nationwide with a somewhat larger population. The consolidation passed in its fourth attempt over many decades. One factor cited as an early impediment was New Jersey’s reluctance to provide significant funds to assist with the transition²⁸. The state ended up paying 20 percent of the \$2 million in transition costs²⁹. There was also a sense that the three prior attempts, while failed, provided the groundwork for the ultimate consolidation.

²⁸ Princeton Merger Pays off in Property-Tax slowdown, better services, NJspotlight.com, Aug. 7, 2018.

²⁹ *Ibid.*

At the time of the consolidation, the two communities already had 13 shared services. There was a sense that the services could function even better if the artificial boundaries were erased. In addition, there was a shared community where residents saw themselves as belonging simply to “Princeton” as opposed to the township or borough. Demographics were also similar between the two communities.³⁰

The Princeton Joint Consolidation Study Commission held extensive neighborhood and stakeholder meetings and two focus groups to gather input, concerns, goals, etc.³¹ These concerns were noted by the commission: the disruption and cost may outweigh the benefits; a larger government might be more impersonal and less responsive; and there may be a potential loss of the value and attention paid to downtown.

The commission responded through the creation of advisory planning districts to provide residents a formal mechanism to be heard on proposals in their neighborhoods.³² It was also recommended that ordinances in the two communities that reflected a different approach be maintained, as was allowed under New Jersey state law.³³ In terms of financial concerns, the commission identified over \$3 million in net annual savings. The commission maintained that a consolidation would result in cost controls and savings, would result in greater leverage as a larger municipality, and would provide more enhanced services with a more effective government.³⁴

Five years later, Spotlight New Jersey reviewed the consolidation outcomes. As of January 2013, the consolidation provided \$3.9 million in gross savings, part of which were used to provide municipal trash pickups to township residents. Police department staffing had dropped from 60 to 54, and overall staffing from 229 to 204. Despite less police officers, the combined department was able to reinstate units for traffic and safe neighborhood policing. Services like policing and snowplowing were improved by removing artificial municipal boundaries.

In terms of municipal finances, Spotlight New Jersey found that the rate of growth in tax increases slowed in the combined municipality from 16 percent in the five years prior to the consolidation to 11 percent between 2013 and 2017. Although taxes increased in Princeton, taxes had also gone up on average across the state. The statewide average at the time was 8.8 percent.

Municipal officials who spoke to Spotlight New Jersey credited their success to the 160 commission meetings that focused on everything from staff size to trash collection, and a focus on the review and analysis of data, making the consolidation a “winner by the numbers.”

Clearfield Borough and Lawrence Township, Pennsylvania

2016 Attempted Consolidation

In 2015, government and community leaders in Clearfield Borough (pop. 5,882) and Lawrence Township (pop. 7,523) in Clearfield County sought to evaluate the potential benefits of municipal

³⁰ Borough of Princeton and Township of Princeton Joint Consolidation/Shared Services Study Commission, July 2011

³¹ *Ibid.*

³² *Ibid.*

³³ *Ibid.*

³⁴ *Ibid.*

consolidation through creation of a joint committee under the Municipal Merger or Consolidation Act. The committee subsequently hired PEL to staff the effort through the state's Early Intervention Program.

Clearfield and Lawrence had a shared identity with similar populations, budgets, tax bases and public services. Clearfield was considered more urban than the more rural township, and the township was significantly larger in land area. Individually, both municipalities were projected to experience future, growing deficits with similar revenue and expenditure patterns. The borough had limited room to expand its tax base, while the township had room to grow. The township at the time exceeded its general purpose tax rate cap set by the second class township code, and therefore, was required to seek court approval for its millage.

Plans called for the two municipalities to consolidate under a home rule charter, which would give the new municipality greater taxation flexibility and allow for creation of a government structure unique to community needs.

There was recognition by the joint committee that consolidating the municipalities and eliminating artificial boundaries would lead to efficiencies and service delivery improvements that could serve to overcome perceived differences. The committee viewed consolidation as a proactive approach to remaining a vibrant, financially sustainable municipality that had a greater capacity to attract residents and businesses.

The process took over a year and involved extensive educational sessions and public hearings with employees and the general public. PEL developed a written report that examined finances, operations and other issues, as well as a home rule charter, and noted favorable conditions for a consolidation. Some that voiced initial opposition to the consolidation at public meetings – including employees - changed their opinions based on the educational campaign.

Despite support from many elected officials and key community leadership groups, the effort failed when a majority of Lawrence Township supervisors voted against placing the consolidation on the ballot. Among the concerns officially voiced by the supervisors were ownership of township fire company buildings and costs necessary to accomplish the merger, such as sign repainting and the potential need for new facilities. Unofficially, there appeared to be undercurrents of dissatisfaction among some municipal employees regarding the proposed consolidation and concern that the township was financially bailing out the borough.

Clearfield borough, according to a source in DCED, remains high on an internal statewide list of municipalities experiencing financial difficulty. Meanwhile, the biggest difference between the two is that the township receives Marcellus Shale fee revenue of over \$300,000 annually and approximately double the amount that the borough collects in local services tax revenue³⁵. As a result, the township's current financial position is largely dependent on continued Marcellus Shale fee revenue and the continued ability to obtain court approval for its millage. Such approval in of itself is a sign of financial distress since it indicates the municipality cannot operate under its respective code without enhanced revenue.

³⁵ DCED Annual Financial Reports, 2018

St. Marys Borough and Benzinger Township

1991 Successful Consolidation

Like Princeton, the borough of St. Marys and surrounding Benzinger Township had a history of cooperation and shared services including joint water and sewer systems, and the same school district and volunteer fire department. Also, like Princeton, the first attempt at consolidation was unsuccessful. The consolidation question was initially placed on the ballot over the objections of the borough solicitor and a legal challenge by a group of borough employees. The proposal failed when it was rejected by borough voters, although 62 percent of the township supported the measure.³⁶

Interest remained in consolidation, in part, because another failed consolidation attempt in the region kept the issue in the spotlight and because a new St. Marys city could benefit from an increased state Community Development Block Grant appropriation.

The governing bodies subsequently hired PEL to conduct a study. The study recommended consolidation, saying it was essential to the future growth of the community; but it took a voter initiative petition to get the measure on the ballot. Public meetings were held, backed by the local chamber of commerce and other community groups. A majority of voters in the borough and township approved consolidation in November 1991.

One year later, St. Marys residents approved a new home rule charter with a council manager form of government. In 1994, real estate taxes fell for former borough properties from 26.5 to 18.36 mills, while millage for former township properties increased from 14.55 to 18.36 mills.³⁷

³⁶ Boundary Change Procedures, Pennsylvania Governor's Center for Local Government Services, May 2014

³⁷ *Ibid.*

APPENDICES

Appendix I

Municipal Interviews

DuBois City Council and Sandy Township Board of Commissioners

Introduction

The PEL team conducted interviews with six representatives of DuBois city government and six representatives of Sandy Township government in addition to interviews of primary leadership. These interviews were conducted to develop a more complete picture of thoughts and concerns around a potential consolidation.

Each interviewee is listed below. Thoughts, opinions and concerns are expressed without reference to individual names to allow for frank assessments by the interviewees.

DuBois City Government

- Mayor and former Councilman Ed Walsh (Walsh became mayor shortly before being interviewed)
- Councilman Jim Aughenbaugh
- Councilwoman Diane Bernardo
- Councilman Shane Dietz
- Councilwoman Shannon Gabriel
- Committee member Debbie Mechling

Sandy Township Government

- Supervisor Bill Beers
- Supervisor Jim Jeffers
- Supervisor Sam Mollica
- Supervisor Kevin Salandra
- Supervisor Mark Sullivan
- Secretary/Treasurer Shelly Reasinger
- Administrative assistant Kristen Dunn
- Consolidation committee member David Singer

Interview

All participants were asked the same set of questions, as follows:

1. What is going well in your municipality (Sandy/DuBois) right now?
2. What are some challenges you're facing?
3. What are your general thoughts on the potential of a municipal consolidation?
4. What do you see as barriers to a potential consolidation?
 - a. How do you see the public responding to this initiative and what concerns of theirs need to be addressed?

5. What services are being provided today that would be impacted by a consolidation?
 - a. What is their quality like, and how might that change in a consolidation?
6. What are your priorities or wish list around a possible consolidation?
7. Is there anything else you think it's important to mention?

Response to Issues and Concerns

The Issues and Concerns that were identified in the interviews were generally addressed in the body of the report. Some of the concerns were seeking specific answers related to tax rates or position changes that cannot be definitively answered at this stage of the process. Where possible, ranges are discussed in the report as well as the factors that will influence the final result. There were some areas that came forth that were outside the scope of the engagement. There were multiple concerns related to the future of the fire service. This was specifically excluded from the project because there is a concurrent study being conducted by another group. Also, specific questions related to the impact of COVID were excluded from the project.

DuBois Perspectives

Priorities

DuBois members interviewed were all highly positive about the prospect and potential benefits of a consolidation but spoke of the need to keep all Sandy and DuBois residents engaged with a full range of information, so that they feel they are making an informed decision. They believe that a lack of full information on costs and benefits led to the failure of previous consolidation initiatives.

Issues and concerns

There were multiple issues and potential costs and benefits that members felt were important for the public to understand. These included:

- What form of consolidation the government might take
 - How all areas would continue to be represented in a new government,
 - Whether a different form might attract more state funding or produce more leverage in Harrisburg;
 - Whether there would be a clear tax savings to be seen from a municipal consolidation, (especially for seniors on fixed incomes);
 - To what extent possible increased taxes in Sandy Township would be offset by a decline in utility rates;
 - Whether a combined municipality would be more effective in attracting businesses to the area;
 - How a consolidation would affect the fire and police departments and other government services.

Water system

DuBois government members see the shared water system and uniform water rates as a key benefit of a consolidation.

One member specifically noted what they viewed as the inefficiency of the bureaucratic process for adjusting water rates. These can be adjusted seamlessly for DuBois residents, but raising rates for Sandy residents is more complex: both sides appear before the state's Public Utilities Commission, arguing their point of view. This member identified the process as expensive and time-consuming for all of those involved, but especially Sandy, as, in their view, DuBois eventually recoups its expenses through rate increases, while Sandy does not.

A member noted that in a consolidation, the combined municipality will share the value of the reservoir and the property surrounding it, which should be considered.

A couple of members noted that the benefits of consolidation would be less apparent in areas of Sandy Township that do not have municipal water or sewer connections.

Economic Development

Several DuBois members expressed concern that the local population was decreasing, and the area was having a harder time providing opportunities that would increase growth and retain young people.

They believed that a combined municipality would be better positioned to grow into the future, having more influence to secure resources from the state and attract new businesses. Especially given the pandemic, they asserted that people are interested in returning to smaller communities if they can find opportunities and build decent careers in these locations.

One DuBois member stated that a benefit of consolidation would be a single economic development plan, combining incentives the DuBois could offer with resources available in Sandy Township, such as land for industrial development.

Likewise, DuBois members stated that potential businesses are attracted to areas with good government cooperation and high-quality infrastructure, such as the water and sewer systems.

Fire & Police Services

The special status of fire services and the long history of volunteerism was noted by DuBois members, who agreed that this was a complex issue to consider: fire service worked well and was broadly supported by the community in its current state; yet, the departments were facing historical declines in the number of volunteers that raised questions about maintaining their current form over the long-term.

Most agreed that a clearer case for consolidation was evident in the two police departments, which DuBois members felt were already highly coordinated and worked well together, noting, for example, that DuBois and Sandy Township police already at times jointly patrol in the same cars.

Staffing and Jobs

Some members cited efficiencies and savings that could be achieved through combined departments, including streets, water and sewer, police and a shared municipal building.

While the potential of smaller combined staffing sizes was raised by some, at least one DuBois member stated that they didn't think there would be a need for police department staffing reductions, as efforts had already been underway to reduce staff size through attrition.

Treasure Lake

DuBois members generally indicated that the situation with Treasure Lake was complex. They felt that many Treasure Lake residents were in favor of a consolidation, as shown by past votes. They also believed that many residents were unhappy with their privately run water system, and the chance to switch to a municipal system at some point in the future would be viewed favorably. However, they indicated that questions remained about what status Treasure Lake would have and what benefits it might gain in a consolidated municipality.

The consultants contacted Aqua America to determine if there was interest on the part of the utility to sell the Treasure Lake system. Aqua America responded that it had no interest in a sale but would consider a purchase of the DuBois system.

Sandy Township Perspectives

Priorities

Sandy Township members interviewed expressed mixed opinions on the possibility of a municipal consolidation. Some were clearly in favor or clearly not in favor, while others indicated that they had not yet made up their minds. All expressed the need for more complete information to weigh the costs and benefits, as well as to answer residents' questions and concerns.

Issues and concerns

There were multiple issues that Sandy members felt needed to be given due consideration. These included:

- Keeping taxes at a reasonable level that residents could afford, and fully understanding the implications a consolidation might have on existing tax rates, such as for commercial properties in Sandy Township;
- Clearly addressing the complexity of any potential consolidation of departments, such as the police department and fire departments, and whether there would be staffing reductions;
- Understanding what cost-savings could be realistically achieved in a possible consolidation and what the combined level of debt would be;
- Creating business and industry growth that would attract and retain residents in the area;
- Making sure rural areas that are farther away from DuBois and may benefit less from some of the combined services have their interests represented.

Financial stability

Some Sandy Township members felt that the township finances overall were more stable than that of DuBois and were concerned about the financial and debt implications of a consolidation. This included questions about DuBois' level of pension liabilities and the level of general debt a combined municipality would have to assume.

One Sandy Township member expressed concern about declining tax bases in each municipality and the level of services they would be able to support in the future if they continued to be separate entities.

Staffing

Some Sandy Township members questioned whether potential savings could be achieved through eliminating jobs in a combined government, and whether such staffing reductions would diminish the level of service the public could expect.

Other members did not believe that a consolidation would have any noticeable impact on the level of service provided by any government departments.

Growing Business

Sandy Township members expressed mixed opinions about growing businesses in the township, with some stating that the township is poised for steady growth with or without a consolidation and others stating that higher water bills and additional costs relating from the separation of the municipalities are a drag on businesses.

Building Consolidation

Sandy Township members indicated that the township required a new municipal building, which would cost several million dollars, and that they needed to understand whether, in a consolidation, DuBois's municipal building could adequately accommodate a combined staff, eliminating the need for new construction.

Fire Services

Some Sandy Township members expressed concerns that volunteerism had been diminishing at the fire services as regulations and training requirements increased, along with costs. They indicated that this would need to be addressed in the future, and various options around consolidation and combining services should be up for examination.

Zoning

Several Sandy Township members stated that zoning issues must be addressed in a combined municipality; specifically, that zoning should stay as it is currently for outlying township areas, and not become more restrictive.

Treasure Lake

Sandy Township members indicated that Treasure Lake residents needed to understand what they would be getting for their tax dollars in a combined municipality, given that some services, such as water and security, are already largely handled in the community and there are limitations on the way public money may be spent in a private, gated community.

Residents want to be ensured that services will continue at the same level or at an improved level in a merged municipality, and interviewees stressed that Treasure Lake residents should be identified as

a set of stakeholders with some unique concerns differing from those of other Sandy Township residents.

As an example of this, a member queried whether a consolidation that changes the municipal status of the township to a city of a particular class or enacts home rule status would have implications for Treasure Lake in terms of the state Planned Residential Development (PRD) mandates, eligibility for Community Development Block Grants, fuel tax money for road support, and other such state funding.

The status of water and cable services in Treasure Lake was also mentioned as an issue not all residents were happy with, and some expressed hope that a consolidation, while not providing immediate solutions to these issues, could lay the groundwork for future improvements.

Other Issues Raised

- Suggesting the study assess the impact of the COVID-related shutdown on business and tax revenue;
- Identifying current costs of collective bargaining agreements for municipal workers and how these might change in a consolidation, such as whether existing wages would rise to higher levels to achieve parity between departments;
- Examining the solvency and current obligations of each retirement system;
- Identifying capital reserve needs for supporting capital infrastructure over time, such as anticipated cost over the next 5 years.

Appendix II

Police Contract Comparison

Introduction

This introduction is offered to provide the reader with the purpose and layout of this comparison of the police collective bargaining agreements of Sandy Township and DuBois City. The purpose of this comparison is to provide the reader with a meaningful understanding of the similarities and differences between the two collective bargaining agreements.

To affect this purpose, we reviewed each agreement to discover subject matter terms that were the same or similar. We then summarized the contents of these similar terms and listed them side by side. We attempted to list subject matter terms by groupings to assist the reader, i.e., paid time off provisions follow one another in the table. These similar subject matter terms constitute the first part of the table. Next, we took the remaining sections of each agreement that did not have a similar subject matter term in the other agreement, listed these subject matter terms by municipality, and summarized the provisions of the subject matter. Thus, the subject matter terms of the Sandy Township collective bargaining agreement that did not have an equivalent term in the DuBois City collective bargaining agreement is listed in the table. In turn, we proceeded to list all of the subject matter terms of the DuBois City collective bargaining agreement that did not have an equivalent subject matter term in the Sandy Township collective bargaining agreement.

We also included a few formatting provisions to further assist the reader. We included for each subject matter term the relevant agreement section or article number as a reference should the reader desire to review the complete text in the current agreement. We also included two tables of contents—one by subject matter and one alphabetical—to assist the reader in finding particular subject matter terms. Finally, we added comments where we deemed relevant to provide observations of our review.

What this comparison is not is an opinion by PEL of which agreement provision is preferable or what terms should be included in any prospective collective bargaining agreement. Terms of any agreement are relative the circumstances of the parties negotiating the agreement and we do not proclaim to be adequately acquainted with those circumstances to provide such opinion.

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Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Definitions	Yes	5	Yes	1.01	
Term of contract	1/1/21– 12/31/24	3	1/1/19 – 12/31/24	2.01	
Recognition	Sandy Township Police Officers Association	1A	Yes, provided employee organization is not affiliated with labor unions	3.01	Same body representing both CBU.
Applicability	Full time and part-time police officers (PT limited to hourly wage, holiday pay and clothing allowance)	1	<ul style="list-style-type: none"> Full-Time police officers only Chief expressly excluded from bargaining unit 	1.01	
Salary Increases	<div>1/1/21—2.75% increase in wage scale</div> <div>1/1/22—3.00% increase in wage scale</div> <div>1/1/23—2.75% increase in wage scale</div> <div>1/1/24—3.0% increase in wage scale</div> <ul style="list-style-type: none"> Contract includes wage scale for part-time Officers 	6A	<p>Applicable to Officers hired prior to 1/1/19:</p> <div>1/1/19—2.50% increase in base wage</div> <div>1/1/20—2.50% increase in base wage</div> <div>1/1/21—2.50% increase in base wage</div> <div>1/1/22—2.75% increase in base wage</div> <div>1/1/23—2.75% increase in base wage</div> <div>1/1/24—2.99% increase in base wage</div> <ul style="list-style-type: none"> Officers hired after 1/1/19 receive starting officer salary 	5.01	<p>Salary scales attached as Appendices</p> <p>2021 ST +.25%</p> <p>2022 ST +.25%</p> <p>2023 Equal</p> <p>2024 Within 0.01%</p>
Starting Officer Salary	<div>1/1/21—\$51,849.91</div> <div>1/1/22—\$53,405.41</div> <div>1/1/23—\$54,874.06</div> <div>1/1/24—\$56,520.28</div>	6A	<ul style="list-style-type: none"> \$45,000 starting salary during term of agreement Officer receives percentage annual increase as stated above in base wage during first 4 years On officer's 5th year anniversary Officer receives an increase to the base wage of incumbent officers at 5 years who were hired before 1/1/19. 	5.02	
Longevity	<ul style="list-style-type: none"> Addition to annual base salary Calculated from anniversary date of each service year 1% of annual base salary for each 2 years of continuous service Total of 10% of such pay and 20 years of service 	7	<ul style="list-style-type: none"> Addition to annual salary Payment figured on anniversary of officer's employment 1% of base salary Officer longevity cannot exceed an amount equal to 10% of Officer's base pay for any 1 year 	5.03	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Longevity (continued)	<ul style="list-style-type: none"> • Paid lump sum on payday immediately following anniversary date • Not considered part of annual base salary • Included in pension calculation 		<p style="text-align: right;"><u>Accumulative Test</u></p> After 3 continuous yrs of service 1 After 4 continuous yrs of service 2 After 6 continuous yrs of service 3 After 8 continuous yrs of service 4 After 10 continuous yrs of service 5 After 12 continuous yrs of service 6 After 14 continuous yrs of service 7 After 16 continuous yrs of service 8 After 18 continuous yrs of service 9 After 20 continuous yrs of service 10		
Scheduling	<ul style="list-style-type: none"> • 12-hour shift rotation • 2-week work period is 84 hours • Work week for 12-hour shifts consists of either: <ul style="list-style-type: none"> ➤ 2 on and 2 off ➤ 3 on and 2 off ➤ 2 on and 3 off depending on current weeks rotation • Weekends off every other week—weekend defined as Friday, Saturday and Sunday • The schedule consists of 8 “make up days” accrued semiannually as follows: <ul style="list-style-type: none"> ➤ 4 days from 1/1 to 5/31 ➤ 4 days from 6/1 to 12/31 • Officers may schedule “make up days” at their leisure with Chief of Police approval during current accrual period whether or not earned • “Make up days” do not carry over and must be used prior to end of current year • “Make up days” earned pro rata during each year and are not due at the beginning of each year 	8	<ul style="list-style-type: none"> • Each FT Officer shall be assigned to a 40-hour work week • FT Officer paid minimum of 2 hours for all callouts outside of Officer’s regularly scheduled hours • 2 hours minimum not applicable where Officer is called out at times which are in conjunction with schedule shift—meaning immediately before or immediately after a shift 	5.04	DuBois contract does not state number of hours in a shift 8? 10? Funeral Leave provision provides for paid leave of up to 3 shifts or 36 hours. Unclear how that squares with 40-hour work week stated here.

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Scheduling (continued)	<ul style="list-style-type: none"> Employee terminating employment for any reason only entitled to pro rata “make up days” Employee terminating employment required to reimburse Township for “make up days” used but not earned Minimum of 12 hours off between shifts. If officer works in this 12-hour period compensated at time and one-half for all hours worked in that period. If officer requests to work in this 12-hour period no time and one-half Schedule must be posted 30 days in advance Change of shift only for emergency Township can change schedule with 24-hour notice to the officers 6-month meeting between Township and police, upon written request of either party, to discuss scheduling of officer’s work week Detectives: <ul style="list-style-type: none"> ➤ Permitted to work unstructured work schedule of 40-hour week at discretion of Chief of Police ➤ Vacation, personal and compensatory time accrual, carry over and usage based on 10 hours per day, 40 hour per week 				
Overtime	<ul style="list-style-type: none"> Calculated as time and one-half if in excess of 84 hours in a 2 week pay period and/or excess of 12 hour per day Township may return to 10-hour work week schedule after 45-day notice that 	8	<ul style="list-style-type: none"> Overtime: pay for hours of service in excess of 40 hours in any 1-week period shall be at rate of time and one-half of rate paid for regular service 	5.04	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Overtime (continued)	<p>OT use is excessive over a 6 month period</p> <ul style="list-style-type: none"> Excessive if: 10% increase over 2020 budgeted amount pro-rated over a 6-month period (\$20,000)—reimbursed OT and major incident response OT excluded from calculation If work week changes back to a 10-hour work schedule then Sections 8, 9 and 13 revert back to language in 1/1/17 - 12/31/20 CBA 				
Vacation Leave	<p>12 hour schedule:</p> <p>1 year to 3 years' service— 48 hours (4 days/1 week)</p> <p>4 years to 10 years' service— 120 hours (10 days/3 weeks)</p> <p>11 years to 15 years' service— 168 hours (14 days/4weeks)</p> <p>16 years plus service— 204 hours (17 days/5 weeks)</p> <ul style="list-style-type: none"> Officer may carry over from one year to next year a maximum of 4 vacation days Temporary roster of vacation for entire year submitted to Township by end of February Officer may change scheduled vacation if time open Vacation <40 consecutive hours needs special approval Vacation not yet earned may be used at discretion of Chief. If Officer separates employment vacation time is prorated. If excess of vacation taken by Officer then excess deducted from Officer's final 	9	<p>After 1 year of continuous service— 2 weeks vacation</p> <p>After 5 years of continuous service— 3 weeks vacation</p> <p>After 10 years of continuous service— 4 weeks vacation</p> <p>After 17 years of continuous service— 5 weeks vacation</p> <ul style="list-style-type: none"> Vacation shall be credited on the calendar year and not anniversary date 	7.01	DuBois contract silent on vacation carry over into following year.

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Vacation Leave (continued)	<p>wages or other types of accrued but unused leave</p> <ul style="list-style-type: none"> Officer job related death before retirement or officer receives job related disability retirement 100% of any vacation pay to which they qualified at time of death or disability shall be paid to their estate or officer If reduction-in-force or layoff officer shall be paid 100% of any vacation pay to which they qualified at time separation of employment Vacation leave is not due at the beginning of each year but is earned on a pro-rata basis during each year 	<p>16D</p> <p>16E</p> <p>20B</p>			
Sick Leave	<ul style="list-style-type: none"> Sick leave: <1 to 5 years of continuous service entitled to 100 hours per year and right to accumulate up to 2,000 hours of sick leave >5 years of continuous service entitled to 120 hours of sick leave per year and right to accumulate up to 2,000 hours of sick leave Upon retirement or separation after 12 years of service receives one-half of unused accumulated sick leave with pay up to 1,000 hours All officers who use 4 or more consecutive shifts of sick leave must provide medical certification for reasons of leave; Certification acceptable from other than the officer's primary care physician such as licensed nurse 	16	<ul style="list-style-type: none"> Sick leave: 1-5 years of continuous service earns sick leave of 1 day per month with max. accumulation of 60 days >5 years continuous service earns sick leave of 1.5 days per month with max. accumulation of 120 days. Unused sick leave >120 days may be converted to an extra day off for every 3 days in excess of 120 days; shall be converted to extra days off on 12/31. Officer must provide notice to supervisor no later than 1 hour prior to Officer's scheduled starting time Officer retiring shall receive ½ of accumulated sick days with pay. Sick leave not to be used for any other reason than illness or accident of Officer Officer cannot use sick leave until employed with City for 6 months 	7.02	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Sick Leave (continued)	<p>practitioners provided officer receiving treat from licensed medical professional</p> <ul style="list-style-type: none"> Officer job related death before retirement or officer receives job related disability retirement 100% of any sick leave to which they qualified at time of death or disability shall be paid to their estate or officer If reduction-in-force or layoff officer shall be paid 100% of any sick leave, vacation pay, personal day pay or holiday to which they qualified at time separation of employment Sick leave is not due at the beginning of each year but is earned on a pro-rata basis during each year 	<p>16D</p> <p>16E</p> <p>20B</p>			
Personal Days	<ul style="list-style-type: none"> 1 personal leave day earned for each 1 quarter calendar year Personal days are not due at the beginning of each year but are earned on a pro-rata basis during each year Officer job related death before retirement or officer receives job related disability retirement 100% of any personal day pay to which they qualified at time of death or disability shall be paid to their estate or officer If reduction-in-force or layoff officer shall be paid 100% of any personal day pay to which they qualified at time separation of employment 	<p>9D</p> <p>20B</p> <p>16D</p> <p>16E</p>	<ul style="list-style-type: none"> 2 personal days per year with right to change 1 sick day into a third personal day Must have prior approval Unused personal days not cumulative Officers shall be given at least 1 shift off between mandatory Act 120 schooling, including First Aid Officers shall be given at least 1 shift off prior to appearing in a Court of record 	7.03	ST total 4 days per year CoD Total 3 days per year (2+1 option)
Holiday Pay	<ul style="list-style-type: none"> 9 paid holidays at straight time: <ul style="list-style-type: none"> ➤ New Year's Day ➤ Good Friday ➤ Easter Sunday 	13	<ul style="list-style-type: none"> 13 paid holidays based at regular rate of pay of Officer: <ul style="list-style-type: none"> ➤ New Year's Day ➤ President's Day 	5.06 5.07	CoD +4 on holidays With a common 8 holidays.

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Funeral Leave (continued)	<ul style="list-style-type: none"> ➤ Child/stepchild ➤ Son/Daughter-in-law ➤ Grandchild • Death in officer's other family members upon request the officer excused for the day of the viewing and funeral if falls on a scheduled working day. Other family includes: <ul style="list-style-type: none"> ➤ Uncle ➤ Aunt ➤ Grandfather ➤ Grandmother 		<ul style="list-style-type: none"> • City pays up to 2 shifts or 24 hours for funeral of other family: <ul style="list-style-type: none"> ➤ Brother-in-law ➤ Sister-in-law ➤ Grandparent ➤ Grandchild 		
Hospitalization	<ul style="list-style-type: none"> • Effective 1/1/21 Officers who receive health care, vision and dental coverage for Officer and family are required to pay 24% of the annual increase in the cost of coverage over the cost of coverage in calendar year 2007 through pro rata monthly payroll deductions • For Officers hired on or before 12/31/20 the Township shall provide for Officers and family 100% paid coverage under PPO 10-RX Option 1 plan through 12/31/24 • Officers hired before 1/1/21 have the option to participate in the PPO 250 Rx Option 2 at a pro rata monthly payroll deduction rate as defined in the contract and pay paying any difference • Officers hired on or after 1/1/21 shall be placed in the PPO 250-Rx Plan 2 plan at the pro-rate payroll deduction rate described above with option to buy-in to the PPO 10 RX Option 1 plan and paying any difference 	12	<ul style="list-style-type: none"> • Through 2004 City provides hospitalization through Select Blue for each Officer and for the family or dependents of each Officer without contribution by Officer for health insurance premiums • Officer premium contribution: <ul style="list-style-type: none"> ➤ Beginning 1/2010, and each year thereafter, Officer shall pay 20% of annual increase in the cost of such insurance coverages over the calendar year 2004 through pro rata monthly deductions • Beginning 1/1/2019 Officers shall pay the final \$500 deductible under the health insurance plan. • Beginning 1/2005, City has right to change health plan from Select Blue to a plan with "substantially comparable" coverage. • If City switches health plan coverage the Officer may elect to keep Select Blue but 	6.01	<p>Dubois contract has no healthcare opt-out payment.</p> <p>DuBois contract does not have separate provision for vision and dental benefits</p> <p>Both contracts include procedure if Cadillac Tax becomes effective.</p> <p>Both contracts specify Highmark Select Blue as health insurance provider. Both contain option for switch with options to retain.</p>

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Hospitalization (continued)	<ul style="list-style-type: none"> • Comparable coverage: <ul style="list-style-type: none"> ➤ Township retains right to change existing medical, surgical, hospitalization dental and vision insurance to a plan with comparable coverage ➤ Union retains right to grieve what is comparable coverage ➤ If grieved goes before a neutral arbitrator whose decision is final and binding • Vision Care <ul style="list-style-type: none"> ➤ Township provides each employee and immediate family with 100% paid coverage Highmark Basic vision care ➤ 100% UCR eye exams and allowances for lenses, contact lenses and sunglasses. ➤ Dependents under 19 exam/lenses once during 12-month period; Members and dependents 19 or older exam/lenses once during 24 month period • Eye Care <ul style="list-style-type: none"> ➤ Township provides each employee and immediate family with 100% paid coverage Concordia dental care plan 100% UCR for diagnostic and preventive work, restorations, endodontics, periodontics, oral surgery, prosthodontics and orthodontics • Healthcare Opt Out 		must pay difference in monthly premium costs between new plan and Select Blue		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Hospitalization (continued)	<ul style="list-style-type: none"> ➤ Any employee who has health coverage through an employer-provided group health plan for the employee and their dependents shall receive 50% of annual health insurance coverage fee. Must provide proof of such coverage and waive coverage under Township plan. ➤ Payment made in 4 installments— March, June, September and December ➤ Payment not counted as salary or compensation under terms of Police Pension Plan ➤ Coverage reinstated outside open enrollment if employee experiences a COBRA qualifying event ➤ Payment subject to pro-rata adjustment • Cadillac Tax <ul style="list-style-type: none"> ➤ If Township receives notice that health care plan costs subject to ACA Cadillac Tax then Township provide written notice to Police Officers, parties to negotiate changes in plan design or plan carrier in order to avoid imposition of tax ➤ No agreement reached within 15 days of written notice then proceed to Act 111 interest arbitration proceeding. Sole purpose of arbitration proceeding to modify plan to reduce cost of coverage and eliminate exposure to Cadillac Tax. Arbitration board 		<ul style="list-style-type: none"> • Cadillac Tax <ul style="list-style-type: none"> ➤ If City receives notice that health care plan costs will be subject to ACA Cadillac Tax then City provides written notice to Union (contract silent to whom proper notice is given), parties to negotiate changes in plan design or plan carrier in order to avoid imposition of tax ➤ No agreement reached within 14 days of written notice then proceed to expedited arbitration proceeding. ➤ Arbitrator selected pursuant to terms of collective bargaining agreement's grievance and arbitration procedure. ➤ Sole purpose of arbitration proceeding to modify plan to reduce cost of coverage and eliminate exposure to Cadillac Tax. 		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
	decision within 30 days of appointment of neutral arbitrator unless waived by parties		➤ Arbitrator's decision shall be issued within 45 calendar days of appointment of arbitrator's appointment		
Post-Retirement Healthcare Benefits	<ul style="list-style-type: none"> Officer's hired after 2/20/18 are not entitled to or eligible post-retirement health care benefits Retiring officer hired before 2/20/18 is entitled to continue family membership in medical insurance plan or to join any other such Plan of medical insurance benefits with Township providing monthly contribution to retired officer's premium cost until earlier of: <ul style="list-style-type: none"> ➤ date which retiree becomes eligible for comparable benefits of any other plan from any source; or ➤ date on which the retire becomes Medicare eligible Township monthly premium contribution of \$230 in years 2021-2024 Any premium balance is deducted from retiree's retirement compensation If retiree elects other medical insurance coverage retiree shall provide Township with evidence thereof and receipts to receive Township monthly contribution Retiree's Township group coverage subject to termination if retiree coverage conflicts with insurance carrier requirements or coverage is deemed unlawful. If group coverage cannot be provided retiree shall be afforded coverage under COBRA 	10	<ul style="list-style-type: none"> Post-retirement healthcare coverage and cash equivalent shall be eliminated for all employees hired after 1/1/19. Retiring Officer hired before 1/1/19 the City agrees to provide retiring Officer single medical (hospitalization) coverage to retired Officer until age 65 at no cost to retired Officer. Medical coverage shall be for all medical insurance benefits enjoyed by the Officer immediately prior to retirement or cash equivalent. If cash equivalent option chosen, cash equivalent shall not increase beyond the benefits enjoyed by the Officer immediately prior to retirement. If medical insurance option chosen, the Officer may convert to the cash equivalent option at any time, however, cash equivalent shall revert to dollar amount as if selected at retirement. Retiree forfeits rights to medical coverage once cash equivalent is taken. 	6.01	Both contracts recently eliminated post-retirement healthcare benefits.

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Pensions	<ul style="list-style-type: none"> Follow Act 600: <ul style="list-style-type: none"> ➤ Eligible if attain age of 55 and 25 years of services for the same municipality ➤ The monthly pension benefit is fifty percent of the average monthly salary. The average monthly salary may be based on a period of not less than 36 months and not more than 60 months immediately prior to retirement Officer's longevity payments are included in pension calculation Officer eligible for length of service increments of \$100 per month for each year of service in excess of 25 years up to a maximum of \$500 per month after 5 completed years of service in excess of 25 years Mandatory officer contribution of percentage of compensation not to exceed amount permitted by Act 600. Conditions to reduce or eliminate officer contribution if all 3 following are met: <ul style="list-style-type: none"> ➤ Act 205 actuarial study indicates contributions may be reduced or eliminated; ➤ Contributions by Township not required to keep plan actuarially sound; and ➤ Any reduction or elimination is authorized on annual basis by ordinance or resolution of Township Order of funding of plan: <ul style="list-style-type: none"> ➤ State pension aid 	10	<ul style="list-style-type: none"> City required to schedule meeting to discuss Officer's pension and other available benefits 1 year prior to Officer's retirement date Eligible if 50 years of age or over and after serving for continuous period of not less than 20 years Pension shall not be in any year less than ½ the gross annual pay of Officer as determined by the 3rd Class City Code pertaining to police pensions Pension Calculation <ul style="list-style-type: none"> ➤ Pension benefits of Officers hired before 1/1/04 shall be calculated based upon W-2 earnings. ➤ Pension benefits of Officer hired on or after 1/1/04 shall be calculated on base pay plus longevity Existing service increment cap is \$500 per month and all calculations shall be according to Act 2002-65; this benefit shall apply to all Officers regardless of date of hire Officer 60% vested in pension at completion of 12 years of continuous service; thereafter, vesting increases 5% for each completed year of continuous service up to 20 years A 6.66% annual cost of living adjustment, 40% overall limit, based on gross wages. City entitled to raise Officer pension contribution to maximum of 3% of base wages if required to meet the financial requirements of the pension plan; applies to all Officers regardless of date of hire 	8.01	<p>Longevity included in both pension calculations</p> <p>Both contracts provide for service increment payments up to \$500</p>
Pensions (continued)		7			

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Pensions (continued)	<ul style="list-style-type: none"> ➤ Charges against police officer compensation ➤ Annual appropriation made by Township • Early Retirement Provision <ul style="list-style-type: none"> ➤ Officer may retire after 20 years of service (regardless of age) with immediate commencement of benefit payments ➤ Accrued benefit actuarially reduced to reflect early commencement of payments ➤ Eligible for cost of living adjustments 		<ul style="list-style-type: none"> • City agrees to a study done every subsequent year (contract does not state what is objective of study?) • City must use state pension aid to fund plan to max. unit value before determining if any contribution due from the police force 		Sandy police contract includes an early retirement provision—no similar provision in Dubois police contract
Deferred Retirement Option Plan (DROP)	<ul style="list-style-type: none"> • Becomes effective 1/1/21 • Officer has option of a DROP upon reaching normal retirement date • As of DROP effective date officer no longer earns additional years of continuous service for pension purposes • Except for cost of living adjustments, earning or earning increases while Officer in DROP are not recognized for determination of pension payments • Drop period is maximum of 60 months (5 years) • Election to participate is irrevocable once approved by Board of Supervisors—cannot leave DROP and resume participation in Township’s Pension Plan • Officer may cease employment at any time during DROP participation 	10H	<ul style="list-style-type: none"> • Officer shall have the option of a DROP • City required to adopt ordinance to implement DROP • DROP period is 4 years • Officer must have 20 years of service and 50 years of age or otherwise meet pension plan eligibility requirements • City shall purchase an investment vehicle for DROP that has a fixed and guaranteed interest rate within the 0-4.5% interest rate of Act 44 of 2009 • DROP shall expire and become unavailable if in any year it is shown to cost the City any money that would not have been spent had the DROP benefit not been implemented; parties required to meet to discuss ways to mitigate cost identified by City; If w/in 3 months of City notice to Union parties unable to mitigate cost then take matter to neutral arbitrator; 	8.02	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Deferred Retirement Option Plan (DROP) (continued)	<ul style="list-style-type: none"> Township retains right to suspend, terminate or grant honorable discharge while Officer in DROP Township guarantees minimum annual return on monthly payment to an established notional account of not less than 0% and not more than 4.5% Upon termination date of DROP Officer receives balance of notional account in single, lump sum within 45 days of termination Addresses temporary and permanent disability of Officer while in DROP Cost associated with management of DROP accounts paid from Police Pension Fund 		<ul style="list-style-type: none"> Arbitrator purpose to mitigate cost identified by City; If result is to discontinue DROP any Officer in DROP is permitted to complete said participation up to separation date in their DROP election paperwork and no new employee would be permitted to enter the DROP 		
Court Appearances	<ul style="list-style-type: none"> Time spent in court or magistrate considered as work time and compensated as such Officer may elect to be paid for court appearance or to convert such time to compensatory time for each hour of court appearance Township pays for reasonable cost of officer's meals when court appearance outside Township or City of Dubois If Officer uses personal vehicle to be reimbursed current IRS rate per mile 	11	<ul style="list-style-type: none"> Officers shall be given at least 1 shift off prior to appearing in a Court of record If Officer required to appear in any court of record on any of their regular days off they shall receive a day off at a later date, within reasonable time, for the day spent in court (comp time?) If officer required to appear before a Magistrate or attend pre-trial conference on their day off, shall be compensated at overtime rates for the time required for such appearance or 2 hours, whichever is greater Any other appearances required by Officer requires prior authorization by Police Chief If Officer time spent in court is greater than 5.3 hours, then Officer is paid at a 	7.03 5.05	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Grievance Procedure (continued)	<p>respond in writing within 7 working days following their next regularly scheduled or special meeting date</p> <p><u>Step 3</u> If not settled, the bargaining unit shall initiate in writing to Township Secretary within 30 days after Step 2 response was provided or due a notice of its intent to proceed to Arbitration level</p> <ul style="list-style-type: none"> • Procedures included for parties to pick arbitrator and duties of arbitrator • All fees and expenses of Arbitrator shared equally between the parties with each party bear cost of its own case • Discipline: <ul style="list-style-type: none"> ➤ Township right to discipline officers for just cause is recognized ➤ All charges must be in writing and criteria to be enumerated in writing ➤ Officer has 5 days to appeal charge ➤ Right to be represented by counsel at their expense ➤ Entitled to rights accorded in Police Tenure Act ➤ When right to challenge by means of a statutory appeal procedure under the Local Agency Law or other statutory provision bargaining unit members must elect between filing a grievance or pursuing statutory appeals process but not both and election to pursue statutory appeal or grievance procedure is irrevocable 		<p>with said time period grievance is considered denied</p> <p><u>Step 2</u> If grievance not settled, grievant or member of grievance committee may, w/in 10 working days, appeal in writing to City Manager; Manager shall furnish grievant and grievance committee a written answer to the grievance w/in 10 working days of receipt of the appeal; if answer not received with said time period the appeal is considered denied</p> <p><u>Step 3</u> If grievance not settled, the Police, w/in 10 working days may submit the matter to arbitration in accordance with the following:</p> <ul style="list-style-type: none"> ➤ Only matters of agreement and working conditions ➤ Only issues following execution of this Agreement ➤ Arbitrator appointment and proceedings conducted in accordance with regulations of the American Arbitration Association ➤ Arbitrator cannot add, detract or modify language of the Agreement ➤ Arbitrator has no authority to grant wage increases or decreases except as related to terms of the Agreement ➤ Arbitrator restricted only to issues submitted ➤ Arbitrator has authority to determine whether dispute is arbitrable under the Agreement ➤ Arbitration proceeding expenses shall be borne by the parties equally 		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
	waiver to proceed under the other procedure <ul style="list-style-type: none"> Discipline may take form of oral warning, a written warning, a disciplinary layoff or discharge 		provided that expenses for witnesses or depositions shall be borne by the party making such request <ul style="list-style-type: none"> ➤ Arbitrator's decision is final and binding 		
Drug/Alcohol Testing Drug/Alcohol Testing (continued)	<ul style="list-style-type: none"> Every police officer required to submit to random drug screening tests to determine if officer engaged in the illegal use of a drug or controlled substance If Officer involved in a vehicle or workplace accident the Township will require Officer(s) to submit to drug/alcohol testing; if accident is minor the Chief of Police or Township Manager may exempt an Officer from drug/alcohol testing Drug includes those substances defined as controlled substances by 21 U.S.C. §802 and includes all substances listed on Schedules I through V as they may be revised Officer cannot be subject to random drug screening test more than 2 times per year Township may not test more than 50% of bargaining unit members in annual random testing Random testing unannounced Officers prohibited from communicating to fellow officers they have been randomly chosen Drug screening by urinalysis Township selects testing provider 	30	<ul style="list-style-type: none"> Each employee, as a condition of employment, is required to participate in pre-employment and reasonable suspicion drug and alcohol testing Reasonable suspicion based upon specific contemporaneous observations concerning appearance, behavior, speech or body odors of the Officer If determined reasonable suspicion exists, Chief of Police or designee shall require Officer involved in a job-related accident or incident which resulted or may have resulted in death, injuries requiring immediate medical attention away from the scene or 1 or more vehicles involved incurs disabling damage—to submit to drug/alcohol testing w/in 2 hours of incident City may test any other covered employee whose performance could have contributed to the accident or incident City reserves right to conduct reasonable suspicion drug/alcohol test for job-related accidents and incidents that involve a violation of safety rule or accident or incident that involves a reportable injury for worker's compensation 	16.01	<p>Sandy drug testing policy includes a random testing policy; DuBois drug testing policy does not include a random testing component.</p> <p>DuBois contract does not include discipline or penalty for violation of drug policy.</p>

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Drug/Alcohol Testing (continued)	<ul style="list-style-type: none"> • Provider selected shall be a laboratory certified drug screening analysis by NIDA and DHHS. • To collect sample the Township may use lab technician from certified laboratory or Medical Review Officer who shall be a licensed Doctor of Medicine knowledgeable in medical use of prescription drugs and pharmacology and toxicology of illicit drugs • Sample split into 2 specimens: Primary and Split. Split specimen retained by lab for further testing of a positive (failed) result • Lab tech or MRO responsible for maintaining chain of custody • In event of positive test officer has right to have Split sample tested at a NIDA/DHHS certified facility chosen by the officer. Officer responsible for cost unless Split sample test is negative then reimbursed by Township • If officer on duty shall report for drug screening as directed by Township • Prior to test Officer shall be interviewed by Lab Tech or MRO • Results of testing shall be received by a MRO from the laboratory and reviewed by a MRO before notifying Township • Results of all tests and retests shall be provided to the officer. In case of positive test, the officer shall be notified of substance discovered • If positive test the MRO, prior to notifying Township, shall conduct a 		<ul style="list-style-type: none"> • All testing conducted according to Substance Abuse and Mental Health Services Administration guidelines. • Substances to be tested: Amphetamines, Cannabinoids, Cocaine, Opiates, Phencyclidine and Alcohol • City and police will agree upon collector and certified lab with City responsible for all costs for collecting and testing • Officer refusing drug/alcohol test or tampering with specimen are subject to same consequences of a positive test • Officer has right to consult with union representative to serve as witness during testing process • Donor may request inclusion of confirmation test (split sample) • Opportunity to provide legitimate medical explanation for Officers who test positive or Officer's exposure to controlled substances through occupational hazard • All drug and alcohol testing maintained in a separate confidential record • Confirmation testing for alcohol conducted by analysis of breath; screening test positive if result .04 or greater; confirmation test positive if result .02 or greater • Positive drug or alcohol test is violation of policy (no penalty provision provided for violation) • Procedure for testing: <ul style="list-style-type: none"> ➤ Officer reports to provider for sample collection 		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Drug/Alcohol Testing (continued)	<p>medical interview with Officer to discuss individual's medical history and other biomedical factors to determine if there might be a legitimate medical reason for positive result. If so, MRO will report test as negative</p> <ul style="list-style-type: none"> • Officer who tests positive may be immediately suspended, with pay not to exceed 2 weeks, until results of a negative retest communicated to Township • Officer failure of initial and retest subject to appropriate discipline up to and including termination of employment • Officer who refuses testing or refuses to cooperate deemed in violation of policy and is subject to appropriate discipline up to and including termination of employment • Laboratory and MRO required to maintain confidentiality of testing and results. No person shall obtain individual test results from laboratory or MRO nor release individual test results to any person without first obtaining written authorization of tested individual unless otherwise requested pursuant to law • Township required to maintain confidentiality of all records relating to administration and results of drug testing program • Records of sample collection and results shall be available to the Officer, Chief of Police and Township Manager 		<ul style="list-style-type: none"> ➤ Sample split into 2 samples in presence of Officer ➤ Samples sent to certified lab—1 sample tested the other held pending results of 1st sample ➤ If 1st sample positive (failed), 2nd sample sent independent lab of Officer's choosing ➤ All results interpreted by a certified medical doctor (MRO) ➤ If test indicates a prescribed controlled substance then reported as negative ➤ All reports provided to Officer, Chief of Police and City Manager • Officer's voluntary request for drug/alcohol assistance will not jeopardize job security or be subject to disciplinary action as long as request precedes any violation of City drug/alcohol policy 		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
	<ul style="list-style-type: none"> Information that Township shall only maintain in officer's personnel file: that officer submitted to random drug test; date of such test; location of such test; identity of person/entity performing test; whether test positive or negative 				
Law Enforcement Death Benefits Law Enforcement Death Benefits (continued)	<ul style="list-style-type: none"> In the event of repeal of the Emergency and Law Enforcement Personnel Death Benefits Act, 53 P.S. §891 during term of contract either party has option to provide a written request to reopen contract negotiations solely over issue whether Township may legally provide a killed-in-service survivor benefit 	10E	<ul style="list-style-type: none"> City required to timely petition for state and federal benefits due to Officer's family members who dies in the line of duty 2 representatives of police department must submit in writing to City to request that process for benefits begins on behalf of Officer's family 	13.01?	
Protection of Fringe Benefits	<ul style="list-style-type: none"> All benefits presently in effect and not changed by this contract remain in effect, including terms referred to in §29 of this contract 	22	<ul style="list-style-type: none"> City shall continue to pay or recognize any fringe benefits in effect prior to the date of this Agreement which are not inconsistent with the terms and conditions of the Agreement 	9.02	
Severability	<ul style="list-style-type: none"> Any term or provision of Agreement found invalid or unenforceable such invalidity or unenforceability shall not impair any other terms or provisions of Agreement unless other term or provision affected Provision if DROP declared invalid or illegal then police retain right to bargain deletion of the DROP but not a replacement of the DROP 	28 31	<ul style="list-style-type: none"> Any provision of Agreement found invalid or unenforceable such invalidity or unenforceability shall not impair any other terms or provisions of Agreement. If provision of Agreement found invalid, then City and police representatives shall immediately commence negotiations to negotiate new provision to replace the invalid provision. If cannot agree then single arbitrator shall be appointed by the City to provide a provision to replace invalid provision 	15.01	Sandy has 2 severability clauses: 28 and 31
Unit Member Payroll Deductions	Yes	2B	N/A		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Non-Unit Payroll Deductions	Yes, however, this mandatory deduction no longer valid per US Supreme Court case <i>Janus v. AFSCME</i> , 585 U.S. ___ (2018)	2A	N/A		
Active Classifications	<ul style="list-style-type: none"> • Police Officer • Corporal • Sergeant • PT Police Officer 	6	N/A		
Inactive (vacant) Classifications	<ul style="list-style-type: none"> • Lieutenant • Captain • Filled at Township's discretion 	6A	N/A		
Promotions	<ul style="list-style-type: none"> • Promotion to Corporal, Sergeant, Lieutenant and Captain at discretion of Chief of Police in coordination with Township Manager • Factors: Experience, Performance, Training and Education • 12-month probationary status • At end of 12-month probationary status Chief of Police may close probationary status or extend for a designated period • If during probationary period the Chief of Police does not wish to retain employee in the position then employee returns to their previously held position. Employee may voluntarily elect to return to their previously held position at “<i>any time</i>” 	6	N/A		Not clear whether “ <i>any time</i> ” only applicable during probationary status or “ <i>any time</i> ” also includes after probationary status
Compensatory Time	<ul style="list-style-type: none"> • May be earned in lieu of OT • Calculated as same rate as OT—time an one-half • Employee may use Comp Time with Chief of Police approval which shall be given unless approval unduly disrupts operations 	8	N/A		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Compensatory Time (continued)	<ul style="list-style-type: none"> Maximum amount of Comp Time employee may accrue is 7 days Employees who reach maximum amount required to use Comp Time or receive a pay out of Comp Time accruals Employee may carry over 4 days of Comp Time from one year to next Comp Time required when mandatory department meetings and in-service group trainings Officer election of Comp Time remains for court appearances and firearms qualification 	11 21			
Military Leave	Township agrees to abide by all State and Federal laws applicable to military leave	19	N/A		
Ammunition	Township provides sufficient number of rounds of ammunition for required service weapon and any approved personal weapon for Shooting and Qualification Training purposes	21	N/A		
Employee Personnel Records	Officers to be apprised of all information entered and maintained in Township personnel records; Township agrees to preserve confidentiality of such records at all times.	24	N/A		
Probationary Status—New Employee	<ul style="list-style-type: none"> Newly appointed FT Officer given probationary status for 12 months. If a PT Township Officer promoted to FT Officer, then probationary period is 12 months. 	25	N/A		
Leave Benefits (Misc.)	<ul style="list-style-type: none"> Earning of and entitlement to any paid benefits shall be prorated to reduce such leave by any periods during which an 	26	N/A		

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
	<p>Officer is not in paid status (neither actively working nor on paid leave).</p> <ul style="list-style-type: none"> Township may suspend insurance benefits upon expiration of 6 continuous months on unpaid status. Officer shall be given right to continue such insurance coverages at their own expense at Township group rate. 				
<p>Legality</p> <p>Legality (continued)</p>	<ul style="list-style-type: none"> Intent of parties that Agreement complies with statutes, regulations and judicial decisions. If determined in conflict with any of above then Agreement automatically adjusted to comply with any conflicting statute, regulation or judicial decision. 	27	N/A		
Incorporation of Prior Agreement	<ul style="list-style-type: none"> All terms and conditions under parties January 1, 2017 – December 31, 2020 CBA not in conflict with this Agreement shall remain in effect and deemed incorporated. 	29	N/A		
Miscellaneous	<ul style="list-style-type: none"> Officers prohibited from performing volunteer firefighter duties while on duty All items regarding sick leave, vacation, personal days and clothing allowance are not due at the beginning of each year but are earned on a pro-rata basis during each year. Termination of employment during the year for any reason officer entitled to pro-rata benefits only. Officer who terminates employment shall reimburse Township for those benefits used but not earned 	20	N/A		
Contract Amendment	N/A		Yes	2.02	

Contract term	Sandy Township	Sec.	City of DuBois	Sec.	Comments
Civil Service Appointment Rules	N/A		All appointments of any FT Officer shall be in accordance with civil service acts for police officers	3.04	
Management Rights	N/A		List of reserved management rights	4.01	
Residency	N/A		<ul style="list-style-type: none"> All Officers must reside w/in 7.5-mile radius of the City 	10.01	Residency Requirement for CoD based on distance.
Maintenance of Equipment Maintenance of Equipment (continued)	N/A		<ul style="list-style-type: none"> All EQ and vehicles in department shall be maintained to highest level possible; replaced when age or use has lowered dependability Committee of bargaining unit members and Chief of Police to review EQ and make non-binding recommendations to City for replacement. 	11.01 11.02	
Death of Officer Prior to Retirement	N/A		<ul style="list-style-type: none"> Upon death of Officer prior to retirement City shall continue to provide to spouse and minor children hospitalization coverage for a period of 1 year after the death of the Officer with said cost borne by the City Upon death of Officer prior to retirement City shall pay 100% of Officer's accumulated sick leave, vacation leave and compensation time to spouse and minor children 	14.01 14.02	

**SANDY TOWNSHIP
POLICE SALARY SCALE
(2021 - 2024)**

Effective Date	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Percent Increase	2.75%	3.00%	2.75%	3.00%
Starting Officer	\$ 51,849.91	\$ 53,405.41	\$ 54,874.06	\$ 56,520.28
2nd Year	\$ 55,305.18	\$ 56,964.33	\$ 58,530.85	\$ 60,286.78
3rd Year	\$ 58,761.93	\$ 60,524.79	\$ 62,189.22	\$ 64,054.90
4th Year	\$ 62,218.71	\$ 64,085.27	\$ 65,847.62	\$ 67,823.05
5th Year	\$ 65,675.46	\$ 67,645.72	\$ 69,505.98	\$ 71,591.16
6th Year	\$ 69,132.20	\$ 71,206.17	\$ 73,164.34	\$ 75,359.27
Corporal	\$ 71,447.02	\$ 73,590.43	\$ 75,614.16	\$ 77,882.59
Sergeant	\$ 73,761.82	\$ 75,974.68	\$ 78,063.98	\$ 80,405.90
Part Time				
Part-Time Trainee	\$ 16.40/hour	\$ 16.89/hour	\$ 17.36/hour	\$ 17.88/hour
Part-Time 6 months	\$ 17.26/hour	\$ 17.78/hour	\$ 18.27/hour	\$ 18.82/hour
Part-Time 1 yr plus	\$ 20.76/hour	\$ 21.38/hour	\$ 21.97/hour	\$ 22.63/hour

A. The parties agree that compensation to be paid to bargaining unit employees of the Sandy Township Police Department for the terms of this contract shall be as follows:

Effective On	1/1/2017	1/1/2018	1/1/2019	7/1/2019	1/1/2020
Starting Officer	\$46,282.31	\$47,555.07	\$48,268.40	\$48,992.42	\$50,462.20
2nd Year	\$49,366.56	\$50,724.14	\$51,485.00	\$52,257.27	\$53,824.99
3rd Year	\$52,452.13	\$53,894.56	\$54,702.98	\$55,523.52	\$57,189.23
4th Year	\$55,537.72	\$57,065.01	\$57,920.98	\$58,789.80	\$60,553.49
5th Year	\$58,623.28	\$60,235.42	\$61,138.95	\$62,056.04	\$63,917.72
6th Year	\$61,708.84	\$63,405.84	\$64,356.93	\$65,322.28	\$67,281.95
Sergeant	\$65,841.34	\$67,651.97	\$68,666.75	\$69,696.75	\$71,787.66
Part-Time					
Trainee	\$14.64/hour	\$15.04/hour	\$15.27/hour	\$15.50/hour	\$15.96/hour
6 months	\$15.41/hour	\$15.84/hour	\$16.07/hour	\$16.31/hour	\$16.80/hour
1 year plus	\$18.53/hour	\$19.04/hour	\$19.32/hour	\$19.61/hour	\$20.20/hour

CITY OF DUBOIS
POLICE SALARY SCALE
(2019-2024)

Officers Hired Prior to 1/1/19

Effective Date	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Percent Increase	2.50%	2.50%	2.50%	2.75%	2.75%	2.99%
Assistant Chief	\$75,577.28	\$77,466.72	\$79,403.38	\$81,586.98	\$83,830.62	\$86,337.15
Sergeant	\$73,803.17	\$75,648.25	\$77,539.46	\$79,671.79	\$81,862.76	\$84,310.46
Corporal	\$72,383.88	\$74,193.48	\$76,048.32	\$78,139.64	\$80,288.48	\$82,689.11
Patrol (5yrs)	\$70,964.59	\$72,738.71	\$74,557.18	\$76,607.50	\$78,714.20	\$81,067.76
Patrol (4yrs)	\$68,930.88	\$70,654.15	\$72,420.51	\$74,412.07	\$76,458.40	\$78,744.51
Patrol (3yrs)	\$66,984.03	\$68,658.63	\$70,375	\$72,310.41	\$74,298.95	\$76,520.49

CITY OF DUBOIS
POLICE SALARY SCALE
(2019-2024)

Officers Hired After 1/1/19

Effective Date	1/1/19	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24
Percent Increase	2.50%	2.50%	2.50%	2.75%	2.75%	2.99%
Patrol (5yrs)	—	—	—	—	\$78,714.20	\$81,067.76
Patrol (4yrs)	—	—	—	\$48,578.27	\$48,696.76	\$81,067.76
Patrol (3yrs)	—	—	\$47,278.13	\$47,393.44	\$47,509.03	\$47,620.00
Patrol (2yrs)	—	\$46,125.00	\$46,125.00	\$46,237.50	\$46,237.50	\$46,345.50
Patrol (1yr)	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00

Appendix III

Public Works Contract Comparison

Introduction

This introduction is offered to provide the reader with the purpose and layout of this comparison of the public works collective bargaining agreements of Sandy Township and DuBois City. The purpose of this comparison is to provide the reader with a meaningful understanding of the similarities and differences between the two collective bargaining agreements. To affect this purpose, we reviewed each agreement to discover subject matter terms that were the same or similar. We then summarized the contents of these similar terms and listed them side by side. We attempted to list subject matter terms by groupings to assist the reader, i.e., paid time off provisions follow one another in the table. These similar subject matter terms constitute the first part of the table. Next, we took the remaining sections of each agreement that did not have a similar subject matter term in the other agreement, listed these subject matter terms by municipality, and summarized the provisions of the subject matter. Thus, the subject matter terms of the Sandy Township collective bargaining agreement that did not have an equivalent term in the DuBois City collective bargaining agreement is listed in the table. In turn, we proceeded to list all of the subject matter terms of the DuBois City collective bargaining agreement that did not have an equivalent subject matter term in the Sandy Township collective bargaining agreement.

We also included a few formatting provisions to further assist the reader. We included for each subject matter term the relevant agreement section or article number as a reference should the reader desire to review the complete text in the current agreement. We also included two tables of contents—one by subject matter and one alphabetical—to assist the reader in finding particular subject matter terms. Finally, we added comments where we deemed relevant to provide observations of our review.

What this comparison is not is an opinion by PEL of which agreement provision is preferable or what terms should be included in any prospective collective bargaining agreement. Terms of any agreement are relative the circumstances of the parties negotiating the agreement and we do not proclaim to be adequately acquainted with those circumstances to provide such opinion.

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Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Term of Agreement	<ul style="list-style-type: none"> 1/1/18 – 12/31/21 Agreement renews year to year thereafter unless either party provides notice by certified mail on or before 8/1/21 of their desire to modify or terminate the agreement 	XXIV	<ul style="list-style-type: none"> 1/1/18 – 12/31/22 At expiration and no new agreement, then current agreement remains in effect until new agreement executed 	1 10A	
Union Recognition	<ul style="list-style-type: none"> American Federation of State, County and Municipal Employees, AFL-CIO Excludes supervisors, first-line supervisors, confidential employees and temporary and part-time employees 	II	<ul style="list-style-type: none"> City recognizes Service Employees International Union, Local 668 as sole bargaining agent Excludes police, fire, management and administration 	2	
Union Membership	<ul style="list-style-type: none"> New employees are not Union members for a period of 90 days after hiring Township right during this 90-day period to discharge new employee without limitation An employee who was member of the Union on effective date of agreement or who joins Union in the future must remain member during term of agreement Employee has window to resign from Union during 15 days prior to expiration of agreement 	V XXV (§5)	<ul style="list-style-type: none"> New FT employees are not Union members and have no seniority rights for 90 days after hiring City may discharge or lay off new FT employee during this 90-day period Temporary and part-time employees: <ul style="list-style-type: none"> ➤ Not covered by Union agreement nor receive Union benefits ➤ Cannot operate heavy equipment ➤ Cannot can be assigned to bid jobs ➤ Can only work overtime when permanent employees unavailable 	3A 3C	
Dues Deduction	<ul style="list-style-type: none"> Employees may authorize Township to deduct dues from pay of employees covered by the agreement and any other union fees or assessment Employee may revoke pay deduction authority if they give 15-day notice prior to expiration of the agreement 	XXVI	<ul style="list-style-type: none"> City agrees to deduct union dues, fees or other union assessments from members per pay 	2B	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Dues Deduction (continued)	<ul style="list-style-type: none"> Township obligation to make deductions terminates upon: <ul style="list-style-type: none"> ➤ Receipt of revocation of authorization from an employee ➤ Termination of employment ➤ Promotion or transfer to job outside bargaining unit Employee may authorize the Township to make AFSME Political Action Committee deductions in amount specified by employee Employee may not be permitted to implement, revoke or change PAC contribution amount more than 1 time during a calendar year of the agreement All deductions authorized by an employee are deducted on a monthly basis and be transmitted to the Union no later than the 15th day following the end of the month in which deductions made 				
No Strike/ No Lockout	<ul style="list-style-type: none"> No strike during term of agreement and Township right to discipline any violation Township will not engage in a lockout during term of agreement 	VI	<ul style="list-style-type: none"> No strike during term of agreement 	12	
Wages Increases	2018—XX% increase 2019—2.5% increase 2020—2.5% increase 2021—2.7% increase <ul style="list-style-type: none"> See Appendix A for detailed Township salary scale 	XVIII	2018—1.75% increase 2019—2.00% increase 2020—2.25% increase 2021—2.50% increase 2022—2.50% increase <ul style="list-style-type: none"> See Appendix A for detailed City salary scale 	17	Need 2018 wage increase percentage

[illegible]

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Overtime (continued)	<p>already accumulated 40 hours at regular pay</p> <ul style="list-style-type: none"> OT shall not be pyramided OT distributed as equitable as practicable OT hours declined by employee counted as hours worked for OT distribution Holidays and vacation time are counted as time worked in computation of OT All time an employee is in compensable status is counted as hours worked Employee may accept compensatory time off in lieu of overtime for work performed on Saturdays provided both parties agree 	XVIII Sec. 3	<ul style="list-style-type: none"> Volunteer list first posted; if not enough employees available then distributed using seniority list with most senior called first Employees subject to disciplinary action if do not have legitimate reason for not being available for OT (2 times in 60 calendar day period) OT caused due to vacation or sick leave at sewage plant and water plant offered to employee who works same scheduled shift (not having same days off) Supervisors required to leave voice message on employee home phone if employee unavailable and then call a second number provided by employee 		
Seniority	<ul style="list-style-type: none"> Seniority defined as the length of an employee's continuous service with the Township Length of continuous service computed from date of hiring provided that length of continuous service is not broken by: <ul style="list-style-type: none"> ➤ Voluntary termination of employment ➤ Discharge for just cause ➤ Employee was laid off and employee received certified notice to return to work and fails to return to work within 5 days after notice; if employee notifies Township w/in 5 day notice period they are not immediately 	IX	<ul style="list-style-type: none"> Seniority based on City-wide overall employment basis with respect to layoffs and job posting Employee who loses and regains City employment will begin as though new employee 	4	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Seniority (continued)	<p>available for work, the Township may grant extension to 20 days; if extension given by Township then Township must notify Union of extension</p> <ul style="list-style-type: none"> • Absence due to sickness or accident disability or other approved leave of absence is not an interruption of continuous service • Seniority does not accumulate during periods of layoff • New employee regarded as probationary employee for first 6 months of employment and not entitled to seniority during this period. If successful completion of probationary period, then seniority effective as of date of hire. • New employee names must be furnished to Union within 30 day of hire • Township must post seniority list by classification and seniority • Township must establish a preference list for 1 year to fill vacancies within a classification • Employee promoted out of bargaining unit has 6 months from date of promotion to return with all seniority 	XXV Sec. 9			
Layoffs	<ul style="list-style-type: none"> • Layoffs in inverse order of seniority with probationary employees laid off first • Employees given at least 1-week advance written notice of layoff 	XI	<ul style="list-style-type: none"> • In case of layoffs, seniority of service recognized as factor in determining layoff order • 2-calendar week notice to Union representative for discussion prior to issuance of layoff notice 	4	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments														
Holiday Pay (continued)	<ul style="list-style-type: none">Employee on sick leave who is otherwise entitled to holiday pay shall not have holiday charged against their sick leaveEmployees required to work when Township declares special holiday for employees shall receive equivalent time off with payIf holiday on Saturday or Sunday and Township does not provide Friday or Monday as compensation day, then employee paid 8 hours straight time																		
Personal Days	<ul style="list-style-type: none">40 hours personal leave for full-time employeesMust be used in a full workday incrementRequest to use made to Township Manager at least 2 hours prior to employee start timeEmployee may carry over unused personal days into next year for 90 days	XII	<ul style="list-style-type: none">1 personal leave day per yearPrior supervisor approvalUnused not cumulativePersonal leave shall be placed on employees weekly pay stubs	8B	5 personal days (Sandy) vs. 1 personal day (DuBois) Sandy permits carry over/DuBois no carry over														
Vacation Leave	<ul style="list-style-type: none">After 1 year of service employees entitled to following vacation with pay: During 1st year (after probation): 3.34 hrs/month earned 40 hours Year 2 – 6 years: 6.67 hrs/month earned 80 hours Year 7 – 15 years: 10 hrs/month earned 120 hours	XIII	<table><tr><th><u>Years of Service</u></th><th><u>Days Per</u></th></tr><tr><th><u>Year</u></th><th></th></tr><tr><td>1-2</td><td>5</td></tr><tr><td>3-5</td><td>10</td></tr><tr><td>6-13</td><td>15</td></tr><tr><td>14-20</td><td>20</td></tr><tr><td>21 or ></td><td>24</td></tr></table> <ul style="list-style-type: none">At expiration of 1st anniversary year commencing work for City, vacations considered on calendar year basis (Jan. 1)	<u>Years of Service</u>	<u>Days Per</u>	<u>Year</u>		1-2	5	3-5	10	6-13	15	14-20	20	21 or >	24	8 C-H	Sandy: vacation time hours earned per month in agreement during 1 st year is incorrectly stated at 6.67. Should be 3.34.
<u>Years of Service</u>	<u>Days Per</u>																		
<u>Year</u>																			
1-2	5																		
3-5	10																		
6-13	15																		
14-20	20																		
21 or >	24																		

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Vacation Leave (continued)	<p>After 15 years: 13.34 hrs/month earned 160 hours</p> <ul style="list-style-type: none"> Employee required to work during scheduled vacation and unable to reschedule during calendar year, then calendar year shall be extended for 1 year for rescheduling purposes Carry-over of vacation not to exceed 80 hours from year to year with agreement by Township If 2 or more weeks' vacation provided employee, then at least 1 week (5 work days) shall be taken at one time. Township must be notified at least 2 weeks in advance Employee who terminates employment entitled to accrued vacation time/pay If employee laid off, they may request payment of earned vacation time no later than 30 days after layoff 	XI Sec. 6	<ul style="list-style-type: none"> Paid at rate of base pay of standard work week Employee may receive vacation pay in advance with 1-week prior written notice to City Manager Maximum of 4 Street department employees and 2 other department employees permitted to take vacation in any 1 week unless otherwise permitted by City Holidays falling during scheduled vacation not considered as part of vacation Employee leaving City service after at least 1-year continuous employment paid full vacation time due Employee may carry over up to 2 weeks' vacation time; such vacation time paid at rate in effect in year which carried forward Vacation leave shall be place on employees weekly pay stubs 		
Sick Leave	<ul style="list-style-type: none"> Employees entitled to 120 hours of sick leave annually with pay Earned at rate of 10 hrs per month Employee may accumulate up to 1200 hours sick leave Once 1200 hours reached employee can exchange 16 hours sick leave for 8 hours vacation leave up to a maximum of 80 hours sick leave exchanged Sick leave use conditions: <ul style="list-style-type: none"> ➤ Employee illness 	XIV	<ul style="list-style-type: none"> 13 days per year after 1 year of continuous service Employee may accumulate up to 80 days unused sick leave; excess of 80 days may be converted to extra day off at rate of 1 extra day off for every 1 day in excess of 80 days May be used for employee illness or illness of employee spouse or immediate family Employee required to notify supervisor prior to start time 	8I	<p>1,200 hours (150 days) accumulation (Sandy) vs. 80 days accumulation (DuBois)</p> <p>Once maximum sick leave accumulation is met: Sandy exchange: 16 hours sick for 8 hours vacation</p>

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Sick Leave (continued)	<ul style="list-style-type: none"> ➤ Contact with or exposure to contagious disease ➤ Medical attention cannot be scheduled during non-working hours • Leave may be taken in 1-hour increments for employee/immediate family medical appointments • Sick leave greater than 24 consecutive sick hours off requires doctor's excuse • Township may grant special extension of leave to employees who have used all entitled sick leave for extended employee illness or injury • Sick leave buy out of: <ul style="list-style-type: none"> ➤ 100% if employee dies from job related injury ➤ 50% if employee's death is non-job related ➤ 55% if employee retires • Sandy Township Leave Bank policy remains in effect 		<ul style="list-style-type: none"> • More than 2 days off may be required to provide excuse for absence • Employee may request Council to advance up to 45 days sick leave for extended illness repaid at 10 days per year • Retiring employee receives 1/3 of sick leave accumulated with pay • Sick leave shall be place on employees weekly pay stubs 		<p>Dubois exchange 1 day of sick leave for 1 extra day off</p> <p>Both agreements provide for a limited buy-out of sick leave upon retirement</p> <p>Both agreements provide for advance leave for extended illness</p>
Funeral Leave	<ul style="list-style-type: none"> • Up to 5 days excused with pay for death of immediate family member: <ul style="list-style-type: none"> ➤ Mother/Father ➤ Spouse/Child • Up to 3 days excused with pay for death for following family members: <ul style="list-style-type: none"> ➤ Brother/Sister ➤ Stepchildren ➤ Stepparents ➤ Grandparents ➤ Grandchild and ➤ All similar in-laws 	XVI	<ul style="list-style-type: none"> • 3 days paid funeral leave for: <ul style="list-style-type: none"> ➤ Spouse/Child/Step-Child ➤ Parent/Stepparent ➤ Brother/Sister ➤ Grandparent ➤ Grandchild ➤ Mother-in-law/Father-in-law • 1-day paid funeral leave for: <ul style="list-style-type: none"> ➤ Aunt/Uncle ➤ Niece/Nephew ➤ First Cousin ➤ Spouse's Grandparents ➤ Spouse's Brother/Sister 	8J	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
	<ul style="list-style-type: none"> Up to 1 day excused with pay for death for following family members: <ul style="list-style-type: none"> ➤ Aunt/Uncle ➤ Niece/Nephew 				
Jury Duty or Attend Court Jury Duty or Attend Court (continued)	<ul style="list-style-type: none"> Compensated the difference between what they receive for jury duty and their regular rate of pay Supervisor's prior approval is needed to attend court 	XVII	<ul style="list-style-type: none"> City pays difference between fee as juror and regular compensation for 8-hour day based on number of days absent as juror 	8K	
Unpaid Leave of Absence	<ul style="list-style-type: none"> Township discretion whether to grant leaves of absence without pay Employee guaranteed job or comparable job for up to 1 year if leave without pay granted for reason of illness Childbirth leave per the Pennsylvania Human Relations Act of 1969 Employee union members elected as delegates of annual convention shall be granted up to 1 week leave without pay annually Employee union members elected/appointed as Union officials shall be granted up to 1-year leave without pay. Any person hired to replace this employee shall be considered a temporary employee 	XV	<ul style="list-style-type: none"> Leave granted pursuant to Family Medical Leave Act 	8N	
Clothing Allowance	<ul style="list-style-type: none"> All employees covered by the agreement shall receive: <div> 2018—\$400 2019—\$450 2020—\$500 2021—\$500 </div> 	XVIII Sec. 2	<ul style="list-style-type: none"> Uniformed members provided with clothing allotment of \$150 on June 1st of each year of agreement in lieu of furnished rental uniforms City will provide rental uniforms to Sewage Plant and Water departments if employee chooses 	9E	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
			<ul style="list-style-type: none"> Employee needs to submit proof of purchase Intent of City to provide boots and long-neck gloves as needed in all departments City provides foul weather gear to street and water departments 		
Life Insurance	<ul style="list-style-type: none"> Township provides \$50,000 life insurance policy to all employees 	XIX Sec. 4	<ul style="list-style-type: none"> City provides \$25,000 life insurance policy for each employee 	9C	
Health care	<p>Medical Care</p> <ul style="list-style-type: none"> Township provides full-time employees & their immediate family (including dependents when qualified) w/100% paid coverage under Highmark Select Blue high option plan <p>Vision Care</p> <ul style="list-style-type: none"> Township provides each employee & immediate family Blue Shield-Opti-Choice vision benefits w/100% UCR for eye exams and following allowances: <ul style="list-style-type: none"> Members and dependents age 19 and older eligible for examination and lenses once during 24-month period unless medically needed Dependents under age 19 eligible for examination and lenses once during 12-month period <p>Dental Care</p> <ul style="list-style-type: none"> Township provides each employee & immediate family (including dependents when qualified) Concordia dental benefits w/100% UCR for 	XIX	<p>Medical Care</p> <ul style="list-style-type: none"> City provides Highmark P.O.S. for each employee and dependents of employee Coverage will be maintained for 1 year due to a work-related injury and will then be reviewed by Council <p>Vision Care</p> <ul style="list-style-type: none"> Opti-Choice <p>Dental Care</p> <ul style="list-style-type: none"> Concordia Preferred <p>Employee Monetary Contributions</p> <ul style="list-style-type: none"> Employee pays 20% of annual increase in insurance coverages over calendar year 2007 through pro rata monthly payroll deductions Employees pay last \$500 of annual health care deductible <p>Health Care Buyout</p> <ul style="list-style-type: none"> Employee who waives City insurance coverage provided \$100 per month stipend Employee who waives insurance coverage may choose to have City provided insurance coverage reinstated 	9B	DuBois agreement Article 9, B, Hospitalization , third paragraph, references a section (C). Section (C) addresses Life Insurance . City may need to review the reference stated in Article 9, B.

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Health Care (continued)	<p>diagnostic and preventative work, restoration, plus more</p> <p>Employee Monetary Contributions</p> <ul style="list-style-type: none"> Each employee contributes 25% of health care cost increase over premium costs in 2017 through pro rata monthly payroll deductions <p>Health Care Buyout</p> <ul style="list-style-type: none"> Employee who has other health insurance coverage may waive Township health care coverage and receive 50% of annual health insurance coverage fee up to max of \$7,500 in any 1 year with payment made in 4 quarterly installments—March, June, September and December 		<p>Comparable Coverage</p> <ul style="list-style-type: none"> City may switch to substantially comparable coverage subject to Union right to grieve determination of substantially comparable 		
Pension	<ul style="list-style-type: none"> Township matches up to 6% of employee's annual salary Employees who contribute less than 6% then Township contribution decreases to match employee's contribution Employees who contribute more than 6% Township is not obligated to contribute more than 6% 	XIX §5	<ul style="list-style-type: none"> City contributions in amount determined by annual minimum municipal obligation calculation Employees required to contribute 3.5% of total compensation Employees hired before 1/1/13 who terminate or elect not to receive benefit are entitled to all accumulated contributions, including interest and any excess investment monies allocated to their account Employees hired on or after 1/1/13 who terminate or elect not to receive benefit are entitled only to a return of the total amount paid to the pension fund by employee without interest 	18	<p>XIX, Section 5 of Sandy agreement does not expressly state that these contributions are for a defined contribution pension plan—we are assuming this contribution is pension related</p> <p>DuBois pension information was obtained from City Ordinance 1776, as amended by City Ordinance 1804</p>

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Drug Policy (continued)			<p>reasonable suspicion drug testing upon selection or request of management</p> <ul style="list-style-type: none"> • Testing in accordance with Substance Abuse and Mental Health Services Administration guidelines • Entering City property constitutes consent to searches and inspections and employee may be asked to be searched and inspected if suspected of violating drug policy • Employee faces disciplinary consequences for violating drug policy • Employee refusing screening or test subject to same consequences of a positive test • Applies during all working hours whenever conducting business or representing the City 		
Grievance Procedure	<ul style="list-style-type: none"> • Grievance committee established of up to 3 persons all of whom shall be members of Local Union and employees of Township • Stewards, committee persons and aggrieved employee shall be paid regular working hours in the adjustment of written or oral grievances • Township required to pay committee persons at regular rate of pay, including shift premium, for attending negotiations or meetings during regular working hours <p>Step 1 Grievance is presented either orally or in writing to employee's immediate supervisor w/in 12</p>	XXI	<p><u>Step 1</u> Employee consults with immediate supervisor to resolve grievance</p> <p><u>Step 2</u> If grievance not settled, aggrieved and Union shall submit in writing the grievance to Supervisor w/in 5 working days of Step 1 meeting; Supervisor has 5 working days to respond</p> <p>Step 3 If grievance not settled, aggrieved and Union present grievance to City Manager w/in 5 working days of receipt of Supervisor's reply; City Manager has 5 working days to respond</p> <p>Step 4 If grievance not settled, aggrieved and Union present grievance to</p>	15	<p>Sandy agreement does not specify who makes presentation of grievance in Step 1 and Step 3— Employee? Steward? Grievance Committee? Either?</p> <p>Sandy agreement uses term “working days”, “business days” and just “days” when referring to deadlines-- inconsistent.</p>

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Grievance Procedure (continued)	<p>working days of date of its occurrence. Supervisor has 6 working days from receipt to answer</p> <p>Step 2 If grievance not settled, steward shall present grievance w/in 6 working days to designee of the Township. Designee shall respond in 6 working days upon receipt of the appeal.</p> <p>Step 3 If grievance not settled, grievance shall be presented to Board of Supervisors. Board will schedule a hearing with the Union w/in 20 days after receipt of the appeal. Board response of the hearing shall be made w/in 10 days after hearing held.</p> <ul style="list-style-type: none"> If w/in 10 business days of request for arbitration the parties cannot agree on an arbitrator, they shall request service of PA Bureau of Mediation. Arbitrator's decision is final and binding on both parties. Arbitrator's expenses shared equally. 		<p>Management to submit to City Council w/in 5 working days of receipt of City Manager's response; Mayor and/or Council have 5 working days to rule on grievance on receipt from Management</p> <p>Step 5 If grievance not settled, parties agree to summon services of PA Bureau of Mediation</p> <p>Step 6 If mediation fails, Union representative may request arbitration before American Arbitration Association; arbitrator's decision final and binding; arbitrator has no authority to add to or retract any provision of agreement</p>		<p>Sandy agreement not clear on when a party can request arbitration. At any time during process? Only after grievance procedure exhausted? How long after Board response can arbitration be requested?</p> <p>Sandy agreement provides for mediation when parties cannot choose an arbitrator? Nothing about mediator attempting to resolve substantive issue as provided in Step 5 of DuBois agreement.</p>
Unemployment Compensation	<ul style="list-style-type: none"> Township agrees to maintain present unemployment compensation 	XXV Sec. 2	<ul style="list-style-type: none"> City employees covered by PA unemployment compensation system 	11	
Miscellaneous	<ul style="list-style-type: none"> Refusal to do less skilled job reason for suspension Township clerical employees are covered by this agreement At discretion of the Township Manager, the Township shall supply 	XXV	<ul style="list-style-type: none"> All employees required to have a telephone at their residence Employees required to receive payroll by Direct Deposit on bi-weekly basis on Friday 	16C 9A	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
	all tools for the mechanic and utility personnel				
Bidding/Promotions- Job Vacancies	<ul style="list-style-type: none"> Township must post vacancies at all work locations w/in 5 days of vacancy and remain posted for 5 days Township has 30 day to fill vacancy Township must select from among bidding employees the employee with greatest seniority and ability to do work 	X	<ul style="list-style-type: none"> If City decides to post notice must be posted w/in 10 working days of vacancy and shall be posted for 5 working days Job awarded to most senior bidder on a 30-day working day probationary basis to assess qualification Failure to qualify then employee returns to former position w/out loss of seniority 	5	
Bidding/Promotions- Job Vacancies (continued)	<ul style="list-style-type: none"> 30-day qualification period Township right to hire outside bargaining unit when no one qualified Employee promoted out of bargaining unit has 6 months from date of promotion to return with all seniority and benefits 	XXV (\$9)	<ul style="list-style-type: none"> Next qualified senior bidder offered job No bids received and City does not plan on hiring new employee then the youngest skilled labor person in Street Garage assigned vacancy All new permanent employees begin at rate of \$1.00 per hour less than listed wage rate with \$.50 increase above negotiated wage increase for next 2 years 		
Compensatory Time	<ul style="list-style-type: none"> Employee may accept compensatory time off in lieu of overtime for work performed on Saturdays provided both parties agree 	XVIII Sec. 3	N/A		
Retiree Health Care	<ul style="list-style-type: none"> Employee who retires at age 62 with at least 10 years of service the Township shall supply health care benefits for employee/spouse where no other coverage exists Township pays 2/3 of cost and employee 1/3 	XIX §6	N/A		

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Military Leave	<ul style="list-style-type: none"> Township agrees to abide by all State and Federal laws applicable to military leave 	XX Sec. 3	N/A		
Union Representation	<ul style="list-style-type: none"> With Township approval, the Union representatives may enter Township premises during working hours but shall not interfere with work requirements of any employee Union may post notices, pamphlets and bulletins on agreed upon bulletin boards 	XX	N/A		
Management Rights	<ul style="list-style-type: none"> Expresses management right to manage all operations except as modified by agreement 	III	N/A		
Pledge Against Discrimination and Coercion	<ul style="list-style-type: none"> Agreement provisions applied equally to all employees Township agrees not to interfere with employees to become members of the Union Union agrees not to intimidate or coerce employees to join or continue membership in the Union 	IV	N/A		
Separability	<ul style="list-style-type: none"> If any term of the Agreement is found invalid or unenforceable then any invalidity or unenforceability shall not affect any other terms of the Agreement 	XXIII	N/A		
Residency	N/A		Employee may live within 7.5 mile radius of City	3E	
Contract/Sub-contract	N/A		<ul style="list-style-type: none"> City shall not contract/sub-contract bargaining unit work which causes furlough, failure to recall or reassignment of member 	3B	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
			<ul style="list-style-type: none"> Bargaining unit shall not be diminished in size except by attrition for employees hired before 10/1/07 Workfare program workers limited to flood control, cleaning and garages 	3D	
Bidding— Temporary Job Vacancies Bidding— Temporary Job Vacancies (continued)	N/A		<ul style="list-style-type: none"> Defined as an opening projected to have a duration greater than 2 weeks Initial 2 weeks covered by paying 2 overtime days for each week After initial 2 weeks City may fill by assigning successful bid-in candidate or if no bids then the youngest skilled labor person in Street Garage Employee may not have more than 1 temporary bid position at any time w/out City approval 	6	
Work Agreement	N/A		<ul style="list-style-type: none"> Coffee break from 9:00 a.m. until 9:15 a.m. and taken on the job except for sewage employees who have opportunity to return to garage for coffee breaks 1 employee entitle to travel for coffee Employees may travel to nearest public restroom to wash hands prior to coffee break; if greater than 45 degrees foreman may direct employees to bring own soap and water Employees permitted 15 minutes to travel from job site and clean up before lunch and quitting time City and union must agree on ordinance for safe and efficient maintenance of roads during winter 	10 B-E	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
			<ul style="list-style-type: none"> 2 employees on all sewer jobs where sewer vacor truck in use 		
Safety Committee			<ul style="list-style-type: none"> Union shall appoint 3 members to safety committee upon approval by City Members may make inspections during course of working day and present unsafe conditions to the City for correction If unsafe condition employee has right to refuse assignment 	13 B-C	
Absence Without Leave	N/A		<ul style="list-style-type: none"> An employee absent without authorization from City considered absent without leave and receives no compensation for absence 	8M	
Absence Without Leave (continued)			<ul style="list-style-type: none"> Employee absent from work without permission may be subject to discharge 		
Other Paid Leave	N/A		<ul style="list-style-type: none"> Employees granted leave of absence with pay while performing firefighting duties or civil defense work; employee may be required to provide written certification 	8L	
Disciplinary Action	N/A		<ul style="list-style-type: none"> City must have just cause for any disciplinary action Disciplinary action must occur within reasonable period after event giving rise to action or knowledge thereof All complaints and warning in writing to employee and union Progressive discipline beginning with written warning up to employee discharge 	14	

Agreement term	Sandy Township	Art.	City of DuBois	Art.	Comments
Worker's Compensation	N/A		<ul style="list-style-type: none"> City retains right to refuse employment to employee who cannot perform their duties 	9F	
Employee Expense Mileage	N/A		<ul style="list-style-type: none"> Employee reimbursed at state rate if employee uses own vehicle for City business 	9D	
Successor's Clause	N/A		<ul style="list-style-type: none"> Agreement is binding on the party's successors and assigns 	19	

TOWNSHIP OF SANDY
PUBLIC WORKS SALARY SCALE
(2018 - 2021)

Effective Date	2018	2019	2020	2021
Percent Increase	X.XX%	2.50%	2.50%	2.70%
Laborer:				
Starting Pay	\$16.45	\$16.86	\$17.28	\$17.76
After 6 months	\$17.17	\$17.60	\$18.04	\$18.53
After 1 year	\$18.86	\$19.33	\$19.81	\$20.36
Truck Driver				
Starting Pay	\$18.30	\$18.75	\$19.22	\$19.75
After 6 months	\$19.12	\$19.59	\$20.08	\$20.64
After 1 year	\$21.32	\$21.85	\$22.40	\$23.02
After 2 years	\$22.96	\$23.53	\$24.12	\$24.79
Operator				
Starting Pay	\$20.86	\$21.38	\$21.91	\$22.52
After 6 months	\$22.24	\$22.80	\$23.37	\$24.01
After 1 year	\$23.83	\$24.43	\$25.04	\$25.73
After 2 years	\$24.70	\$25.32	\$25.95	\$26.67
Foreman	\$26.14	\$26.79	\$27.46	\$28.22
Assistant Foreman	\$25.63	\$26.27	\$26.92	\$27.66
Mechanic	\$24.70	\$25.32	\$25.95	\$26.67
Clerical	\$19.99	\$20.49	\$21.00	\$21.58
Receptionist	\$16.40	\$16.81	\$17.23	\$17.70

CITY OF DUBOIS
PUBLIC WORKS SALARY SCALE

(2018-2022)

Effective Date	2018	2019	2020	2021	2022
Percent Increase	1.75%	2.00%	2.25%	2.50%	2.50%
Skilled Laborer/CDL Truck Driver	\$23.16	\$23.62	\$24.15	\$24.76	\$25.38
Water Meter Reader/Water Repair Licensed Operator	\$23.41	\$23.88	\$24.42	\$25.03	\$25.65
Parking Meter Maintenance	\$23.41	\$23.88	\$24.42	\$25.03	\$25.65
Parks & Playgrounds Maintenance Crew Chief	\$23.41	\$23.88	\$24.42	\$25.03	\$25.65
Water Distribution Operator Trainee	\$20.14	\$20.54	\$21.01	\$21.53	\$22.07
Water Distribution Licensed Operator	\$23.41	\$23.88	\$24.42	\$25.03	\$25.65
Water Plant Operator Trainee	\$20.14	\$20.54	\$21.01	\$21.53	\$22.07
Water Plant Licensed Operator	\$23.51	\$23.98	\$24.52	\$25.13	\$25.76
Sewage Plant Operator Trainee	\$20.14	\$20.54	\$21.01	\$21.53	\$22.07
Sewage Plant Licensed Operator	\$23.51	\$23.98	\$24.52	\$25.13	\$25.76
Plant Systems Operator Water & Sewer Plant License Operator	\$24.72	\$25.21	\$25.78	\$26.43	\$27.09
Equipment Operator	\$23.53	\$24.00	\$24.54	\$25.15	\$25.78
Working Foreman Street Department	\$26.16	\$26.68	\$27.28	\$27.97	\$28.66
Working Foreman Water Department	\$26.16	\$26.68	\$27.28	\$27.97	\$28.66
Electrician	\$23.53	\$24.00	\$24.54	\$25.15	\$25.78
Assistant Mechanic	\$23.53	\$24.00	\$24.54	\$25.15	\$25.78
Mechanic	\$24.22	\$24.70	\$25.26	\$25.89	\$26.54
Sewer Vactor Machine Operator	\$23.53	\$24.00	\$24.54	\$25.15	\$25.78
Street Sweeper	\$23.53	\$24.00	\$24.54	\$25.15	\$25.78
Employees required to have CDL A paid \$.25 per hour above their classification's base rate					
Employees required to have CDL B paid \$.10 per hour above their classification's base rate					