

Recent Board of Commissioners Actions

The Board of Commissioners of South Fayette Township regularly conducts meetings during which the commissioners deal with matters related to the workings of the township. We encourage citizens to make their views known to us on the business of the township. To access the minutes of our board meetings, please visit the municipal building of South Fayette Township or go to the Township's website at www.south-fayette.pa.us. Please call the South Fayette Municipal Office at 412-221-8700 for additional details.

New Ordinances/Resolutions

- The Board is currently reviewing ordinances establishing a commercial Sign Overlay District, and modifications to the Township's secondary access requirements in all new developments. These ordinances are available on-line at south-fayette-pa.us.
- The Board approved an ordinance setting the 2008 property tax rate at 3.84 mills. This will be a reduction from the 2007 rate of 4.00 mills.
- The Board approved an ordinance setting the 2008 Local Services Tax at \$52.

Projects and Programs

- The Parks and Recreation Department is completing a bid specification for Fairview Park Phase II development. The plans call for the construction of two new athletic fields, restrooms, a concession stand, large public pavilion and additional parking. The \$800,000 project will be paid for with township funds, state grant funds, local grant funds and developer contributions. Work is expected to begin in early 2008.
- The Board authorized advertisement for a proposal to run the Township's 2008 Tennis program, Lacrosse program and yoga lessons.
- The Board approved an agreement with Amil Radnick for the leasing of a portion of Fairview Park for the purpose of limited farming activities including the raising of hay.

- The Township initiated negotiations with Verizon for the establishment of a franchise agreement. This agreement would permit Verizon to provide cable TV services to South Fayette residents. The new service will be available in early 2008.

Planning and Development

The following applications for development have recently been submitted to the Township. All applications for residential and commercial development go through a series of independent reviews and evaluations. The Board of Commissioners is currently considering the following plans:

- The Board approved Newbury Ridge Residential Development comprised of 190 dwelling units on Presto-Sygan Road.
- The Board approved Newbury Market Development which is comprised of 890,000 square feet of commercial and retail space.
- The Board approved Allegheny Place Phase 2 Site Plan which calls for the construction of 14,800 sq. ft. of office/commercial space on Presto-Sygan Road.

For more information on these pending plans or to learn how to provide input to the Board of Commissioners contact Township Engineer, David Gardner at 412-221-8700. □

RESIDENT E-MAIL DISTRIBUTION UPDATE

Stay Informed!!! What's New?

Timely information about upcoming meetings and agendas is now available by e-mail. If you want to know the latest township news, add your name to the South Fayette e-mail list by sending an e-mail to mhoy@sftwp.com.

Township Shifts Tax Rates

In 2007, the Pennsylvania State Legislature adopted Act 7 of 2007 amending the Local Tax Enabling Act, Act 511 of 1965 to clarify the rules, regulations and taxation rates for the newly named Local Services Tax (LST). Township residents may better recognize this tax as the old Occupation Privilege Tax. As part of the state-approved changes, municipalities are now permitted to raise the Local Services Tax rate from \$10 to \$52 for all persons working in the municipality that earn more than \$12,000 per year. All employers within South Fayette Township are required to deduct the LST from their employees. The tax will be assessed and collected on a pro-rata basis determined by the number of payroll periods established by an employer for a calendar year. The \$52 tax will be collected at \$1 per week for taxpayers paid weekly, or at \$4.33 per month for taxpayers paid monthly. Individuals earning less than \$12,000 a year may request annually an upfront exemption by filing the required form with their employer and the township tax collector. It should be noted that this tax is collected by Central Tax Bureau on behalf of the Township and the School District. The Township will receive \$47.00 of the tax and the School District will receive \$5.00

As part of the 2008 budget process the South Fayette Township Board of Commissioners spent several months reviewing and evaluating the benefits of shifting the Township's tax burden from the Real Estate Tax to the Local Services Tax. During this review it was noted that by lowering the real estate tax rate and increasing the LST the Township could slightly shift some of the tax burden from township residents to non-township residents who work in the Township. In such, people working in South Fayette but not paying real estate taxes could share in the funding of vital township services such as police, fire and streets.

So what does this mean to you as a resident of South Fayette Township? First, the Real Estate Tax rate for 2008 was lowered from 4.00 mills to 3.84 mills. If you own a house in the Township assessed at \$100,000 your tax bill would be reduced from \$400 to \$384 or a savings of \$16 per year. Secondly, if you live in South Fayette and work outside of the Township your LST would not be affected. As you live and work in South Fayette Township your Real Estate Tax rate will be reduced by the aforementioned amount. However, your LST tax will increase from \$10 to \$52.

The recent increase in economic growth in the Township has brought new businesses, new employers and employees to South Fayette. As a result, this tax shift will allow the Township to take advantage of this growth to reduce the overall tax burden on Township residents. For more information on the Local Services Tax please refer to the State of PA website at www.newpa.com. Also for specific questions regarding the Township collection please contact Central Tax Bureau at 1-800-424-6829. □

Current Fiscal Position and Significant 2008 Budget Issues

The Township enters 2008 in a relatively stable fiscal position. The Township has, within the past three years, re-evaluated many programs and expenditures, as well as established a very comprehensive budget document and a reliable Capital Improvements Program. All of these initiatives have contributed greatly in the Township's ability to maintain the highest quality of service while keeping a reasonable taxation level.

The Township of South Fayette continues to be one of the premier Municipalities in Allegheny County. There are several large projects looming that could have a significant impact on the Township's fiscal condition.

1. In 2007, the proposed Newbury Market and Newbury Village were approved by the Board of Commissioners. As a result this budget and future budgets will be affected by the progress of development and construction of this significant project. It is projected that this development will result in over \$150 million in new real estate assessed value over the next five years.
2. The proposed submitted budget includes a shifting of tax rates. The administration has proposed a lowering of the real estate tax rate to 3.84 in 2008 from the 4.00 rate of 2007. At the same time the budget reflects an increase in the Local Services Tax Rate from \$10 to \$52.
3. The call for services will continue to expand. In order for the Township to continue to provide quality services, a healthy balance between operating expenditures and current revenues must be established. Future initiatives such as the Fairview Park development and Boys' Home Development will have a significant impact on future budgets.
4. In 2007, the Township hired an insurance consultant to review the Township's overall insurance program. This review led to the issuance of Requests for Proposals (RFP) for Worker's Compensation Insurance, Property and Liability Insurance and Public Officials' Insurance. As a result of these efforts the Township was able to reduce its overall insurance premium costs by 25 percent. The Workers Compensation insurance costs decreased by \$65,449 from the premium costs of \$250,409 in 2007. The Property and Liability costs decreased by \$3,644 from the 2007 cost of \$89,755.
5. The Township's employee health care costs will experience a 5.45 percent increase in 2008 over the 2007 insurance costs from \$471,368 to \$497,041. The Township is making efforts to control rising health care costs by implementing an HRA Program for Service Level Employees. Under the HRA Program, the Township selected a high-deductible, high-co-pay program that results in significant savings in premium costs. The Township will also fund employee deductibles through a managed reimbursement program. In addition, the Township continues to negotiate with the union employees to explore options for reducing future employee health care costs.

2008 BUDGET

6. The Township has experienced a significant increase in employee pension costs over the past four years. The Township will again be required to finance a Municipal Minimum Pension Obligation (MMPO) of over \$373,838. This will again exceed the Township's State Pension Aid Payment of \$186,420. In total the Township has contributed over \$580,864 in tax dollars to fund the pension plans over the past four years (2005—\$97,576, 2006—\$98,045, 2007—\$197,825 and 2008—\$187,418). This can be attributed to lower market returns on investments in 2002 and 2003 as well as additional retiree payments. To meet this cost, the budget includes a proposal to: (1) establish a Police Officer Contribution Rate of 3.8 percent; (2) freeze service employees' pensions at the 2005 dollar value or 9.80 percent; and (3) include in the Union Employee Collective Bargaining Agreement Extension a freeze on pension contributions levels at the 2005 Rate.
7. The 2008 Operating Budget does include the hiring of one additional full-time employee within the Public Works Department. The General Maintenance Employee will replace the current contracted cleaning service and should result in more efficient use of township personnel.
8. In 2005, the Township underwent an exhaustive bidding process for Municipal-Wide Refuse and Recycling Collection Services. Through a very competitive process the Township secured a three-year contract with Waste Management. This process resulted in significant long-term cost savings for Township and its residents. However, this three-year agreement does call for progressively increasing fees. The 2008 rate of \$11.10 per dwelling unit will result in an increase of \$42,427 within the 2008 Operating Budget.
9. The Township continues to experience significant growth pressures. These growth pressures will continue to have a dramatic affect on the Township's infrastructures, as well as the Township's fiscal position.
10. The completion of the Parks Site Plans will have a significant impact on this and future budgets. These Plans will serve as the working planning tool for all future parks development in the next five to ten years. The Township received four grants for Phase II of the Fairview Park Project including \$300,000 from the Pennsylvania Department of Conservation and Natural Resources, \$50,000 from the 3 Rivers Wet Weather Program, \$7,500 from the South Fayette/Bridgeville Rotary and \$83,000 from the Pennsylvania Department of Community and Economic Development. The 2008 CIP includes the expenditure of these funds as part of the Phase II Park Development Project. For the second straight year, the Township is committing a large amount of funds for park improvements. Over the past two years, the Township has expended a total of \$1,022,000 towards park upgrades (\$441,000 Fairview 2007 and \$581,000 Morgan 2006).
11. In 2006 the Township Board of Commissioners

commissioned a Facilities Review Committee to review the Township's future facilities needs. This Committee issued a report in 2007 detailing options for future township facilities. The recommendations and subsequent actions of the Board of Commissioners could significantly influence future budgets. Though construction commitments have been made and/or evaluated, the five year Capital Budget does preliminarily include a \$9,500,000 expenditure on facility expansion in 2009.

12. In 2007 the Township purchased the Old Morgan Project Property for \$500,000. This and future budgets will be affected by the purchase. First, the Township borrowed \$550,000 for this purchase. As a result the Township will have a five year debt service payment of \$123,000 per year. Further, the Township will need to prepare a development plan for the property as well as a development funding plan.
13. In 2007 the Township submitted an application to the Farm Land Preservation Program for the Boys' Home Park. This application called for the selling of future development rights to the state for approximately \$1.6 million. The easement sale could result in the permanent preservation of the park as well as providing significant funding for park and property development.

In 2008, the Administration has proposed a budget with a shifting of the taxation burden. Included in the 2008 budget is a reduction in the real estate tax rate from 4.00 mills to 3.84 mills. This decrease is offset by an increase in the Local Services Tax Rate from \$10 to \$52. Listed below is a comparison of 2007 tax rates to 2008 tax rates:

	2007	2008
Mills Real Estate Tax (General Purpose)	4.00 mills	3.84 mills
Earned Income (1/2 to the Twp. - 1/2 to the School District)	1%	1%
Real Estate Transfer	1%	1%
Local Services Tax (\$47 to the Twp. - \$5 to School District)	\$10	\$52

The Township has made a concerted effort in 2007 to develop an open government. The current Administration and Board of Commissioners have made citizen involvement and education an important part of every major initiative. We owe many thanks to the numerous volunteers who have served this Township well in the past year. Your local government was successful in completing a variety of projects in 2007, including a Facility Needs Assessment Report, demolition of five dilapidated structures, West Bridge Mine Drainage System, Conservation Easement Application for Boys Home Park, purchase of Morgan Property, Tax Shift Study, Long-term Employee Post Retirement Costs Funding Plan, negotiations of two separation Cable Franchise Agreements, new Township entrance signs, design of Fairview Phase II Park improvements, purchase of two FEMA surplus trailers, several zoning ordinance updates, creation of a new B-1 Business Park Zoning District, installation of a new Commissioners' Chambers Display System and a new Nuisance Cat Ordinance. We look forward to serving you in 2008. □

2008 BUDGET INFORMATION:

In an effort to keep the residents of South Fayette Township informed on the financial condition of the township and to provide an overview of the 2008 Township Budget, the following tables and charts provide a summary of the detailed budget. Residents are encouraged to stop by the Municipal Building located at 515 Millers Run Road to review the Township budget in its entirety. Following adoption, the Budget will also be available on line at the township website www.south-fayette.pa.us.

Exhibit 1 is a simplified breakdown of the Township's overall budget. This includes the general fund, Capital Reserves and the other various small specialized funds. This chart is useful in reviewing the overall plans for the Township in 2008.

Exhibit 2 and **Exhibit 3** reflect the Township's operating budget, including both revenues and expenditures. The operating budget is for all day-to-day operation expenses, such as personnel costs, materials, supplies and minor equipment.

Exhibit 4 is the Township's 2008 Capital Improvement Program. This budget reflects large projects and large capital purchases including the Township's annual road improvement program, major equipment purchases and special projects.

Exhibit 1: South Fayette Township 2008 Budget Summary

Revenues	General	Retire	Liquid Fuels	Infrastructure Improvement	Fee-in-lieu	Capital Reserves	Total Funds
Real Estate Taxes	\$3,490,110	\$-	\$-	\$-	\$-	\$-	\$3,490,110
Local Taxes	\$2,173,900	\$-	\$-	\$-	\$-	\$-	\$2,173,900
Intergovernmental Revenues	\$493,372	\$-	\$332,583		\$-	\$533,600	\$1,359,555
Other Non-Tax Revenues	\$551,570	\$250	\$4,500	\$7,500	\$30,500	\$4,000	\$598,320
Interfund Transfers	\$-	\$7,500	\$-	\$-	\$-	\$572,350	\$579,850
Total Revenues	\$6,708,952	\$7,750	\$337,083	\$7,500	\$30,500	\$1,109,950	\$8,201,735
Expenditures							
Legislative Body	\$38,148						\$38,148
Executive/Administration	\$338,635						\$338,635
Tax Collection	\$82,116						\$82,116
Legal Services	\$64,100						\$64,100
Engineering	\$115,743						\$115,743
General Gov. Buildings	\$55,650					\$110,000	\$165,650
Police	\$2,122,690					\$81,000	\$2,203,690
Fire/Ambulance	\$382,563						\$382,563
Street Lighting			\$149,000				\$149,000
Community Development/Zoning	\$86,472						\$86,472
Public Works	\$1,320,567		\$136,000	\$30,000		\$423,500	\$1,910,067
Health Services	\$6,950					\$-	\$6,950
Recreation	\$95,837						\$95,837
Parks	\$204,267					\$492,850	\$697,117
Library	\$68,050						\$68,050
Refuse/Recycling/Collection	\$736,350						\$736,350
Debt Service	\$534,852						\$534,852
Miscellaneous Expenditures	\$243,915					\$50,000	\$293,915
Transfer to General Fund	\$-	\$-					\$-
Transfer to Capital Reserves	\$212,047		\$55,600		\$44,850		\$312,497
Total Expenditures	\$6,708,952	\$-	\$340,600	\$30,000	\$44,850	\$1,157,350	\$8,281,752
Excess Revenues. vs. Expenditures	\$-	\$7,750	\$(3,517)	\$(22,500)	\$(14,350)	\$(47,400)	\$(80,017)
Unappropriated Reserves Jan 1.	\$711,316	\$10,012	\$4,770	\$127,839	\$100,256	\$180,988	\$1,135,181
Designated Reserves	\$315,903	\$-	\$-	\$-	\$-	\$133,588	\$449,491
Unappropriated Reserves Dec. 31	\$395,413	\$17,762	\$1,253	\$105,339	\$85,906	\$-	\$605,673

Exhibit 2: Comparison of General Fund Revenues 2005-2008

REVENUES	PROJECTED 2008 BUDGET	2007 BUDGET	YR. END 2007 EST.	2006 ACTUAL	2005 ACTUAL
Real Estate Taxes	3,482,770	3,465,264	3,261,824	3,399,016	3,321,171
Local Taxes	2,181,240	2,007,500	2,008,250	1,938,458	2,023,661
Licenses and Permits	205,024	128,000	127,968	147,358	109,262
Fines	51,000	48,000	60,000	46,183	60,784
Interest, Rent and Royalties	45,864	37,664	50,864	55,161	41,192
Shared Revenues	493,372	465,467	511,470	494,992	428,346
General Government	50,450	56,400	65,964	34,716	29,656
Public Safety Revenue	106,720	162,400	100,678	99,280	114,776
Highway, Streets and Sanitation	39,342	30,459	39,342	61,639	29,872
Miscellaneous Revenues	53,170	85,857	73,973	68,618	72,630
TOTAL	6,708,952	6,487,011	6,300,333	6,345,421	6,231,350

General Fund Revenues By Source 2008

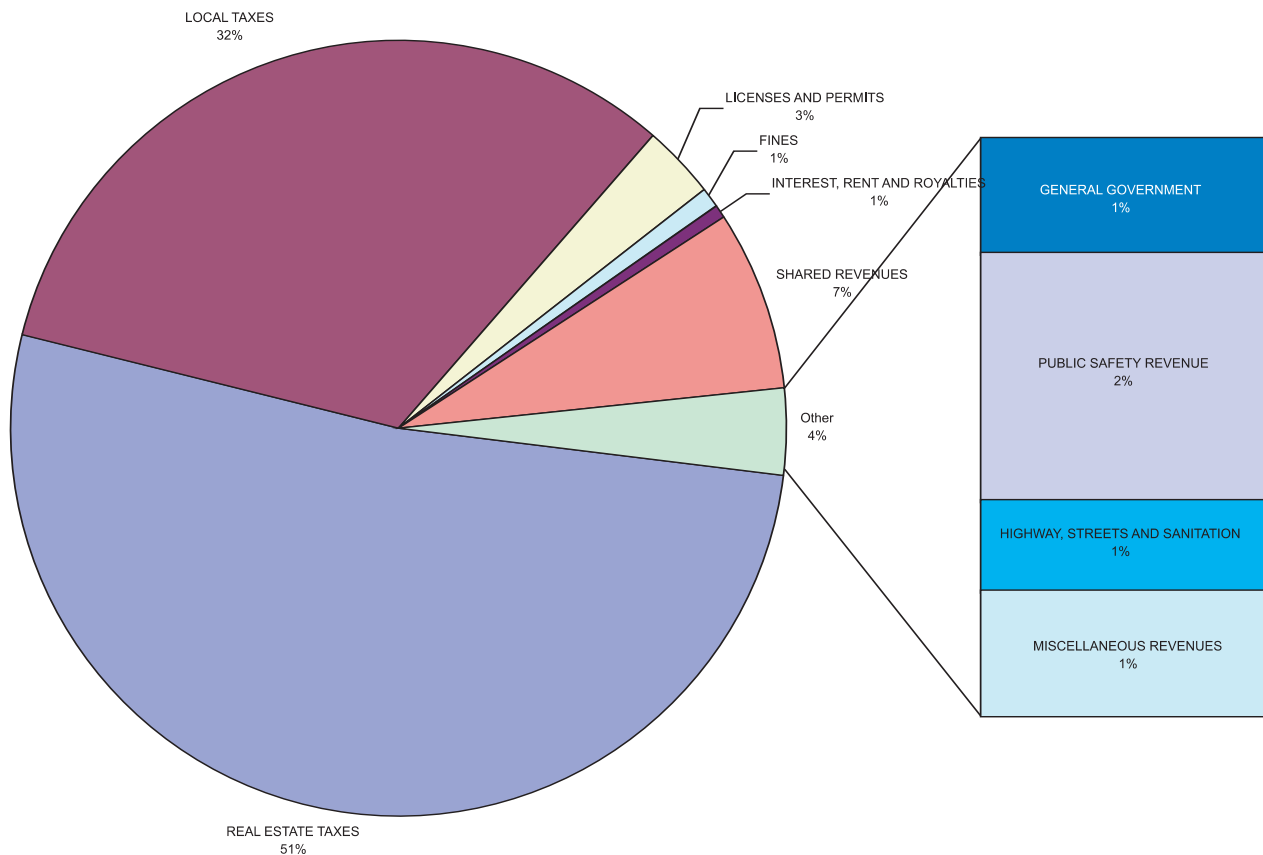


Exhibit 3: Expenditures by Category 2005-2008

CATEGORY	PROPOSED 2008 BUDGET	2007 ESTIMATES	2006 ACTUAL	2005 ACTUAL
LEGISLATIVE	\$38,148	\$41,575	\$38,913	\$37,040
EXECUTIVE	\$338,635	\$339,123	\$367,360	\$356,881
TAX COLLECTION	\$82,289	\$64,563	\$73,470	\$78,514
LEGAL SERVICES	\$64,100	\$57,600	\$43,650	\$46,509
ENGINEERING	\$115,743	\$115,977	\$125,266	\$100,837
GENERAL GOVERNMENT BLDGS.	\$55,650	\$68,782	\$58,535	\$64,576
POLICE	\$2,122,690	\$1,968,088	\$1,817,675	\$1,730,261
FIRE	\$382,563	\$396,338	\$383,790	\$356,584
PLANNING AND ZONING	\$86,472	\$97,918	\$117,346	\$91,203
PUBLIC WORKS	\$1,320,567	\$1,267,682	\$1,176,724	\$1,316,909
HEALTH AND SANITATION	\$743,300	\$698,908	\$660,108	\$552,538
RECREATION	\$95,837	\$85,462	\$81,386	\$92,181
PARKS	\$204,267	\$191,510	\$187,029	\$179,684
LIBRARY	\$68,050	\$63,899	\$63,899	\$63,899
DEBT SERVICE	\$534,852	\$411,060	\$411,060	\$421,228
MISCELLANEOUS	\$455,962	\$476,748	\$423,376	\$437,120
TOTAL	\$6,709,124	\$6,345,233	\$6,029,587	\$5,925,964

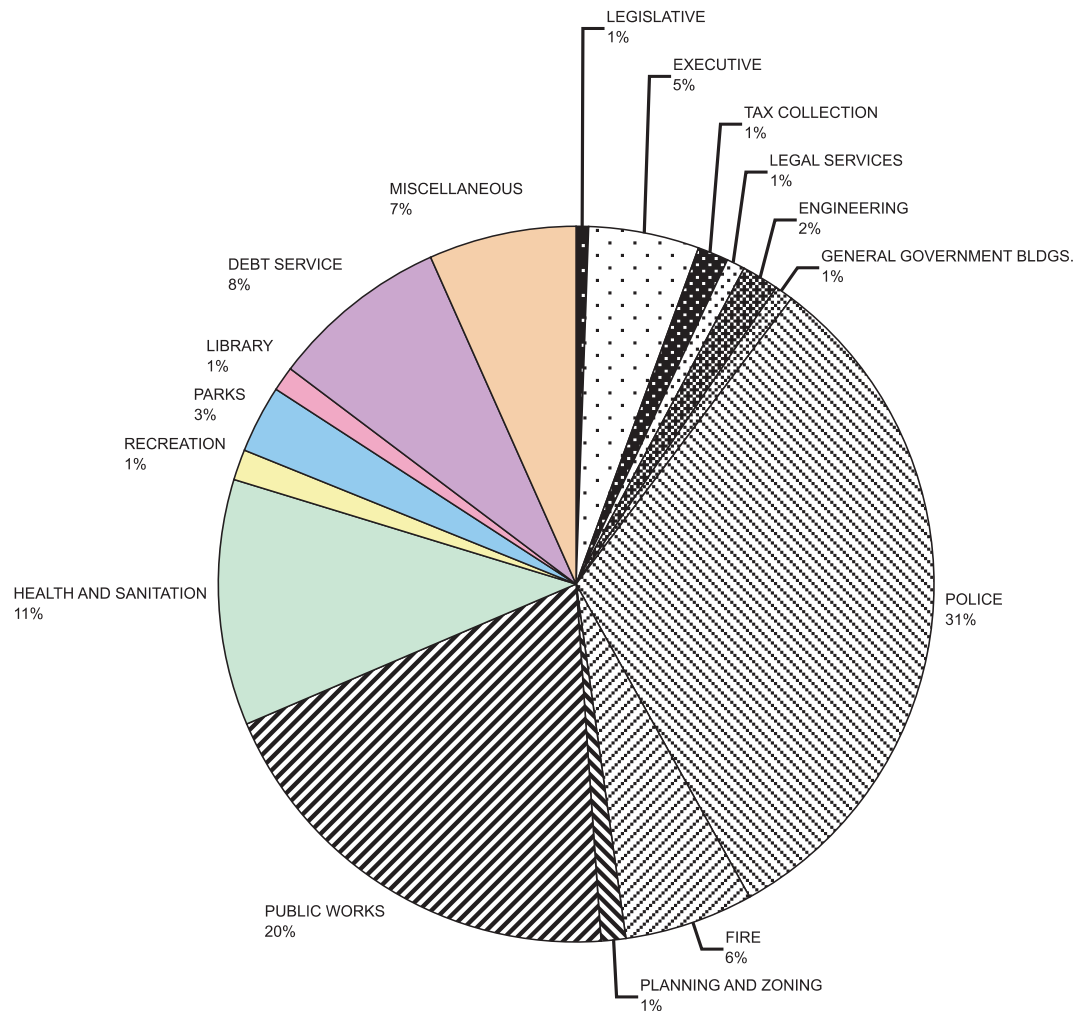


Exhibit 4: Capital Reserve Expenditures 2008

Projected Expenditures	Streets & Infrastructure	Bldg./Land Development	Equipment	Parks & Recreation	Other Capital Projects	Total
2008						
2008 Overlay Program	310,000					310,000
Sygan Road Wall Project	13,500					13,500
Salt Building Expansion - Phase I		80,000				80,000
Facility Upgrades - New Municipal Bldg. Engineering					25,000	25,000
Demolition Projects		30,000				30,000
Copier - Administration			13,000			13,000
Three Police Vehicles			81,000			81,000
Dump Truck (1st of two payments)			55,000			55,000
Wood Chipper			45,000			45,000
Toro Pro Core 660			0			0
Fee-in-lieu Park Improvements				44,850		44,850
Park Improvements				448,000		448,000
Technology Upgrades					12,000	12,000
Total	323,500	110,000	194,000	492,850	37,000	1,157,350

Meeting Schedules

Board of Commissioners (Workshop Meetings)

Second Monday of each month at 7:00 p.m.

Board of Commissioners (Special Workshop Meetings)

1st Monday in the Months of April, May and June at 7:00 p.m.

Board of Commissioners (Voting Meetings)

Third Monday of each month at 7:00 p.m.

Parks & Recreation Board

First Tuesday of each month at 7:00 p.m.

Planning Commission

Fourth Thursday of each month at 7:00 p.m.

Planning Commission (Special Meetings)

Second Wednesday in the Month of February, March and April at 7:00 p.m.

Zoning Hearing Board

Second Wednesday of each month at 7:00 p.m.

Board of Standards

As required

Library Board

Second Tuesday of the month at 7:00 p.m.

Visioning Committee

Last Wednesday of the month at 7:00 p.m.

Environmental Advisory Council

Third Tuesday of the month at 7:00 p.m.

Building Committee

Fourth Tuesday of each Month at 7:00 p.m.

Municipal Authority Meeting

First Thursday of each Month at 4:30 p.m.

BOARD OF COMMISSIONERS 412-221-8700

Cindy Cox - President
Robert Milacci - Vice President
Sue Caffrey
Tom Sray
Ted Villani

ADMINISTRATION 412-221-8700

Michael W. Hoy - Township Manager/Secretary
David Gardner - Township Engineer
Gary Hartz - Building Inspector,
Code Enforcement/Zoning Officer 412-221-1429
Rebecca Spare - Engineering/Zoning Administrative Assistant

Earned Income Tax Collector - Central Tax

Kevin Biber - Real Estate Taxes 412-221-9250
Goldberg, Kamin and Garvin - Township Solicitor

MUNICIPAL AUTHORITY 412-221-1665

Jerry Brown - Manager
Beckie Sray - Office Manager
Frank Zombek - Field Operations Coordinator

PARKS AND RECREATION 412-221-8700

Jerry Males - Parks and Recreation Director

POLICE DEPARTMENT 412-221-2170 (Office)

Chief of Police - Louis Volle
911 (Emergency)
412-279-6911 (Non-Emergency)

EMERGENCY MANAGEMENT

Dan Dernosek - Emergency Management Coordinator

PUBLIC WORKS 412-221-6559 (Office)

Bob Barish - Public Works Director